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**Betterment of Life
Insurance Service**

Title:

**Some statistical
reflections on the state...**

Place:

New York

Date:

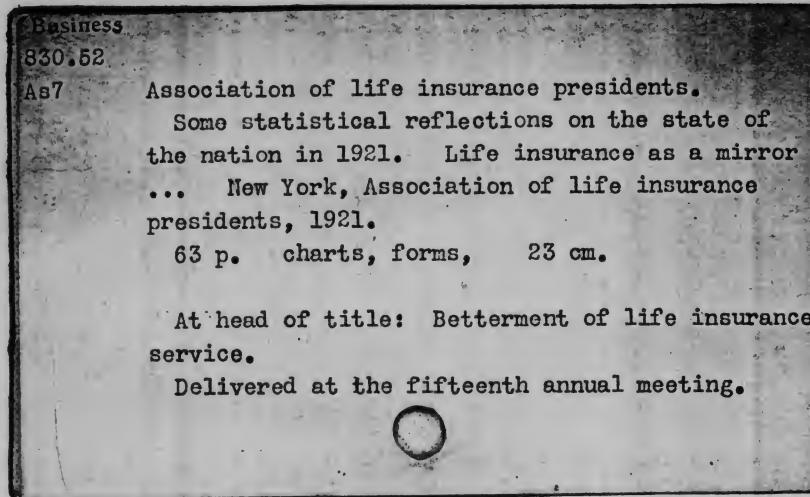
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LIFE INSURANCE AS A MIRROR

Interpretative Addresses on Causes of Death
among Policyholders, New Business Issued,
Loans on Insurance Policies, Distribution
of Investments, and National Physical and
Economic Health.

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Delivered at the Fifteenth Annual Meeting of
THE ASSOCIATION OF LIFE INSURANCE PRESIDENTS
At New York, December 8 and 9, 1921

ASSOCIATION OF LIFE INSURANCE PRESIDENTS
165 Broadway, New York, N. Y.

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MANHATTAN LIFE INSURANCE COMPANY..... New York, N. Y.
MANUFACTURERS LIFE INSURANCE CO..... Toronto, Ont., Canada
MASSACHUSETTS MUTUAL LIFE INS. CO..... Springfield, Mass.
METROPOLITAN LIFE INSURANCE COMPANY..... New York, N. Y.
THE MICHIGAN MUTUAL LIFE INSURANCE CO..... Detroit, Mich.
THE MUTUAL BENEFIT LIFE INSURANCE CO..... Newark, N. J.
THE MUTUAL LIFE ASSURANCE COMPANY OF
CANADA..... Waterloo, Ont., Canada
THE MUTUAL LIFE INSURANCE CO. OF N. Y..... New York, N. Y.
NATIONAL LIFE AND ACCIDENT INSURANCE CO..... Nashville, Tenn.
NATIONAL LIFE INSURANCE COMPANY..... Montpelier, Vt.
NATIONAL LIFE INSURANCE COMPANY OF THE UNITED
STATES OF AMERICA..... Chicago, Ill.
NEW ENGLAND MUTUAL LIFE INSURANCE CO..... Boston, Mass.

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PREFACE

STATISTICS from current records of American life insurance companies, revealing important trends of the business of 1921, were presented at the Fifteenth Annual Convention of the Association of Life Insurance Presidents, held in New York, December 8th and 9th. These aggregate figures disclose the actual situation to November first in most of the fields of activity under discussion. Reflected in this mirror of statistics, the year's developments in bulk were clearly indicated, furnishing to the attending executives knowledge of conditions necessarily of great value in planning for the new year. While compiled primarily to afford opportunity for applied study of the life insurance business as a whole throughout the United States in a year of changing economic conditions, the combined statistics are such an encouraging reflection of both the physical and the economic situation of the American people, that it seems the duty of the Association to convey this information beyond immediate life insurance circles. Hence this modest volume.

These statistics with their adequate background, properly interpreted, bring to the knowledge of professional man and lay reader alike the favorable mortality experienced among life insurance policyholders, the enormous amount of new life insurance purchased, the degree of restraint exercised by policyholders in borrowing on their insurance and the changing trends in the investment of the assets constituting the reserves back of the 45 billion dollars of insurance on American lives in legal reserve companies.

Whether viewed singly or collectively, these four statistical groups furnish an optimistic background for the life insurance business of 1922 and constitute a favorable prophecy for wholesome business conditions generally during the ensuing year. The first group treated in the following pages demonstrates that the people of the United States and Canada never before experienced such good health as in 1921—there being an appreciable reduction from all previous records in the number of deaths among insured lives. The insurance death rate was lowered from 9.58 per thousand in 1920 to 8.24 per thousand in 1921—a saving of one and one-third lives

per thousand. Applying these statistics to the general population of the two countries, a probable saving of 153,000 lives in 1921 over 1920 is indicated.

With no desire to play upon words, the physical health of the nation indicates a sound mental and moral condition, as evidenced by the amount of new business issued. The old adage of a sane mind in a sound body finds new justification in life insurance. It is satisfying to note that in 1921 the American people bought approximately 13,150,000 new life insurance policies—only three-quarters of one per cent. less than in 1920, with its remarkable life insurance expansion. While the \$8,535,000,000 of insurance represented by these new policies is about 15 per cent. less than the amount issued in 1920, the new business for 1921 is 2.6 per cent. greater than that of 1919, which at the time registered the greatest production of new business in the history of life insurance. Although the yearly increase for the last 20 years has averaged 10 per cent., the record of 1919 showed an increase of 62 per cent. over that of 1918. In conjunction with the new business issued, it is reassuring to note that while there has been an increase in the amount borrowed by policyholders upon their life insurance in 1921, the proportion of loans made to reserves is well below the high level reached in 1914; in the latter year the accumulated borrowing of policyholders represented 17.95 per cent. of the reserves, whereas, for the first nine months of 1921 it was only 14.68.

These two groups of statistics show adherence to thrift by the American people during a period of widespread readjustment. The fact that in the face of decreased income and slackened business activity, our people have continued to make provision for the protection of their families on a scale almost equal to the highest point ever reached and far in advance of the average of the last 10 years, indicates the stability of the American character and the emphasis given to home life and to protection of the rising generation.

The fourth and final grouping of statistics covers and analyzes the subject of investments. For the protection of policyholders—*insuring* their insurance—the life insurance companies of the United States held, at the beginning of 1911, assets of \$3,875,000,000. Ten years later, on January 1, 1921, we see these assets nearly doubled, the amount being \$7,300,000,000. This vast trust fund is invested chiefly in mortgage loans on real estate, United States Government Bonds, railroad securities, policy loans, State, County and Municipal bonds and real estate. Readjustments of the different classes of in-

vestments from year to year meet developing national economic and geographical requirements, as is singularly illustrated by the net increase of 261 million dollars loaned by the companies on city and farm mortgages during the first ten months of 1921. These investments weld the 40 million life insurance policyholders—more than a third of our population—into a great economic class, effectively though unconsciously serving in the maintenance of national stability and social confidence.

The reduced mortality experience indicates a people well fitted physically to cope with the new problems of 1922, while the other groups of figures demonstrate a continuity of thrift and stability of purpose under trying conditions. These satisfying and stimulating statistics, coming in the closing weeks of the year 1921, and this resumé of the Convention's thought issued in fact as well as in form during the holiday season may well be termed a New Year's greeting to the American people from the life insurance policyholders of the United States.

GEORGE T. WIGHT,
Secretary and Manager,
ASSOCIATION OF LIFE INSURANCE PRESIDENTS.

New York, December 31, 1921.

NATIONAL HEALTH IN THE LIFE INSURANCE
MIRROR

BY HON. ROBERT LYNN COX

*Third Vice-President, Metropolitan Life Insurance Co.,
New York*

The business of Life Insurance has grown within recent years to most impressive size. This is attributable directly to the ability of its exponents to make men think of life and death in economic terms. Life Insurance has taught the world that in one sense it pays to raise men and women just as it pays to raise horses and cattle. It pays in dollars. Men understand now pretty generally that what human beings can earn beyond their "board and keep" can be measured—that is to say this can be done with reference to that imaginary being known as "Mr. Average Man." What he is worth toward increasing the capital of the world can be definitely foretold and calculated. We know within a few days or weeks of how long he will live and just about what he would bring if he could be put upon the auction block. Uncertainty as to the span of life relates only to the individual life. Death holds no terror of uncertainty for Mr. Average Man. Statistics based upon the actual experience of Life Insurance companies have proven absolutely the number of his years. He neither fears less nor hopes for more. He knows.

Now the business of Life Insurance, speaking from the cold standpoint of figures, is merely a plan for converting the fearsome individual of unforeseeable years of life, and therefore of unknown economic worth, into an average man with a certain number of years to live and therefore of well known and very definite worth. In fact, there is more certainty today of what a fully

insured man is worth dead than what he is worth alive. Dead, he is worth as much as the average man or more. Alive, through sickness or accident or dissipation, he may be converted at any moment into a liability.

It is fortunate that this scheme for guaranteeing a definite number of economic years, or we might say for capitalizing the economic worth of each individual life, can be done on the installment plan, with comparatively small annual outlay. This has brought Life Insurance within the reach of all, and carried it into most homes in this country.

We, as Life Insurance men, see the problem of "National Health in our Life Insurance Mirror" as an economic problem of wide interest and great importance. We see it through the eyes of forty million people with whom we have contracts directly related to the length of time they are expected to live. Of necessity we approach this question, as we do all others, from the standpoint of Mr. Average Man, the man who determines what kinds of policies we shall issue and whose life expectancy fixes our premium rates therefor. We would inquire concerning what is being done to improve Health for him.

We know that if our business were a lodge or society which had power to endow each member with a definite number of years of life, such as we know are guaranteed to the Average Man—say 35 years for a man 30 years old, 28 years for a man of 40, 20 years for a man of 50, and so on—initiation fees and annual dues in such an organization might be fixed high enough to compare with admission fees and dues in an up-to-date golf club. We know, but have a hard time convincing men outside of our business that men who take out and maintain an adequate amount of life insurance receive an *absolute guarantee* of the length of their *economic* lives, a guarantee that as to their net earning power each shall live his full measure of life expectancy. Seeing, as we must and clearly do, the dollar and cent worth of years of living, let us turn now to some recent figures which show how closely we are in touch with the losses caused by deaths among the creators of the wealth of the world.

The death claims paid by the Life Insurance companies of the United States for the year 1920 amounted in round numbers to \$350,000,000. Most of this was paid on insured men, women and children who died prematurely. In fact, life conservation work as it has been developed in the last two decades has demon-

strated to the point of reasonable certainty that not less than one-third and perhaps even one-half of all deaths which occur in any one year might be postponed to subsequent years varying in number somewhat according to geographical location, nationality, occupation, working conditions, etc. It has been shown, for example, in the experience of one life insurance company that within a period of ten years, the lowering of the death rate that has actually been achieved is equivalent to having added four years to the average life expectancy of its male policyholders. If America could remove Tuberculosis from among the causes of mortality, which has long been the ambition of those engaged in public health work, it would be equivalent to adding at least three years to the average life span of the entire population.

Similar estimates made for other preventable diseases indicate that life expectancy can very reasonably be extended to an average maximum of seventy years instead of a maximum of fifty-one years, as shown by the Life Tables of 1910. In terms of the whole nation, such life extension makes for such enormous increase of national values that the effort would be fully justified.

Carefully prepared estimates based on government census figures show that the net gain in economic wealth of this country is at the rate of about \$100 per person per annum. As this rate is reached by including in the calculations not only minor children but also the sick, disabled and aged, it is not difficult to realize the far greater economic worth of the really productive people of the country, upon whom falls the burden of doing the world's work.

Assuming, as I think we fairly may, that on the average productive male members of the race are worth "net" to the world at least \$500 a year each, (that is, each is worth \$500 over food, clothing, shelter and other costs of his personal maintenance) we get a new view of what life prolongation means in money's worth.

Nine million men are said to have been killed in the great world war—nine million men whose average life expectancy was about thirty-five years. This means that 315,000,000 years of productive human activity, worth \$500 a year net, was thus lost to the world. Expressed in dollars it means that one hundred and fifty-eight billion dollars worth of human lives were destroyed by this war. Added to this, perhaps as much more was lost by the disablement of those who still live but who have been

converted into human liabilities—not only worthless as producers but who from now on must consume wealth that is being produced by others.

Men are accustomed to calculate the economic cost of the war only in value of material things destroyed and supplies wasted, but in the Life Insurance Mirror we see this larger loss of human economic value that likewise was destroyed and is now gone forever.

But this view is retrospective, resting upon that which is irreparably lost. It is a sorry picture. Let us face forward, using our lessons of the past to prevent if possible a repetition of such colossal mistakes in the future.

For the avoidance of wholesale slaughter hereafter, we, in common with other citizens with neither power nor responsibility, must rely upon those great statesmen and world leaders assembled at Washington, to find ways of preventing future wars. But, as patriotic citizens of the United States and Canada engaged in the business of Life Insurance, may there not be something worth while we can do to prolong the lives of those who still live and of those who are to be born hereafter and thus make up in part at least for our great war loss of human assets?

In order that we may see both our problems and our opportunities, the Association of Life Insurance Presidents has obtained from leading American Life Insurance companies, and this enabled me to present in connection herewith in tabular form, certain statistics relating to deaths and causes of deaths for the first ten months of 1921 and for the corresponding period of 1920.

The striking thing shown by these figures, covering 27,000,000 human lives, which of necessity reflect general health conditions throughout the country, is the extraordinarily favorable mortality of the current year in comparison with the year 1920—a year which up to that time was one of the best which life insurance companies had ever experienced. These figures for ten months of 1921, supplemented by what we know of our mortality experience as it has been running since October 31st, show that the United States and Canada, as a whole, will close the year 1921 with a lower death rate than has ever been experienced by these countries in any calendar year of their history. Let us translate this fact into number of lives saved in 1921. The thirty-seven life insurance companies contributing these figures transact

about 80% of the life insurance business of the country and the figures actually submitted for the first ten months of this year in comparison with the first ten months of last year are from a group of policies representing in point of number 55% of all now outstanding in the United States. Combining both Ordinary and Industrial life insurance business, these thirty-seven companies report that while they experienced in the first ten months of 1920, deaths numbering 205,941, for the same period this year only 184,860 deaths have occurred. This shows a reduction of 21,081 in the actual number of their death losses this year. But this large number does not tell with entire accuracy the whole story of the life saving of the year because it covers only ten months and the deaths of 1921 occurred among a greater number of lives at risk. By using these facts to correct our calculations it may be said that the net saving for this group of life insurance companies will amount to at least 26,402 lives. Stated in the usual mortality ratios, it means that the death rate of this year for these companies will be 8.24 per thousand instead of 9.58 per thousand, as it was in 1920.

This mortality gain translated into money saved in the payment of death claims by all life insurance companies of the United States for 1921, measured by outstanding insurance, will amount in round numbers to at least \$51,000,000. This vast sum, with the gains made in 1920, will go far toward making up the excess losses of 1918 and 1919 occasioned by Influenza, estimated conservatively at more than \$170,000,000.

Using the United States Census Bureau's figures for 1920 for the registration area of the United States, representing eighty-two per cent of the population, we find the total officially recorded deaths for last year were 1,142,578. Taking the same rate of mortality for 18% not covered by the registration area, we reach an estimated total of 1,389,998 deaths in the United States for 1920. Applying the saving of one and one-third lives per thousand experienced by life insurance companies for the first ten months of this year to the population of the United States and Canada, we find there will be in these two countries a probable saving of 153,000 lives in 1921 over 1920.

Let us look now at the various causes of death as they are shown in the tables submitted herewith, covering 184,860 cases occurring during the first ten months of 1921:

CAUSES OF DEATH SHOWING DECREASES IN RATE FOR THE FIRST
TEN MONTHS OF 1921 IN COMPARISON WITH THE
CORRESPONDING PERIOD OF 1920.

	1ST 10 MOS. 1920	1ST 10 MOS. 1921
Influenza	14,941	1,730
Pneumonia (all forms)	22,243	13,708
Tuberculosis (all forms)	25,288	22,443
Other respiratory diseases	3,489	2,732
Bright's disease	14,652	14,359
Puerperal state	3,429	3,125
Measles	1,148	492
Whooping cough	895	547
Meningitis (all forms)	881	782
Diarrhoea and enteritis	2,392	2,327
Typhoid fever	1,328	1,379*
Cerebral hemorrhage	12,732	12,838*
Organic diseases of heart.....	23,738	24,415*
External causes (excluding suicides, homicides and automobile acci- dents)	10,481	10,084
Miscellaneous	45,035	47,403*
	<hr/> 182,672	<hr/> 158,364

CAUSES OF DEATH SHOWING AN INCREASE IN THE DEATH RATE

Cancer	14,604	15,865
Suicides	2,096	2,852
Homicides	1,052	1,322
Automobile accidents and injuries..	2,311	2,624
Scarlet fever	651	942
Diphtheria	2,555	2,891
	<hr/> 23,269	<hr/> 26,496
Grand Total, All Causes	205,941	184,860

We note first that fifteen out of the twenty-one classified causes of death show a lower rate than they had for the year 1920. In some instances the reduction is very striking. Only six out of the twenty-one show increases. It may be of interest to consider some of the more important ones in relation to the problem of improving average mortality.

We see at the outset that about 28% of deaths

*Though certain causes of death show increases in actual number of deaths for 1921 over 1920, the rate per thousand is in fact lower because of the increased number of lives at risk in 1921.

during this year have been caused by diseases which under our present habits of life are pretty sure to continue at high ratios among the various causes of death. These diseases are cerebral hemorrhage, organic diseases of the heart and Bright's disease. In the main they are ailments of the more advanced years of life. To a very great extent they mark organic and functional break-downs. Therefore we turn for hope to the other causes of death constituting 72% per cent of the total. It is among them that we must seek large results in the prolongation of the average human life.

Though we learn that tuberculosis has caused the enormous total of 22,443 deaths, that is to say about one in eight of all deaths that have occurred in 1921, we have in mind for purposes of comparison the fact that no longer than ten years ago its ratio stood at causing nearly one death among every four. This remarkable drop in the tuberculosis death rate is one of the most conclusive proofs of how much can be accomplished when cause and cure of a disease become matters of common knowledge and of community concern.

Within very recent years typhoid fever has been relegated to a place of minor importance, though in former years it played sad havoc with the lives of our people. This in large part is true of diphtheria—that dread destroyer of child life for centuries past, which in recent years has been largely brought under medical control and thereby put in a comparatively minor place among the causes of death.

But a comparison of deaths in 1921, with 1920 and earlier years, shows such an alarming increase in the mortality caused by these two diseases as to teach us that eternal vigilance and constant application of medical knowledge is the price we must pay for escape from death-dealing micro-organisms. There is really no longer a good reason why typhoid fever or smallpox or diphtheria should be epidemic in this country and yet we find them rising too frequently to that proportion in certain localities because people either fail or refuse to employ the means through which they had been brought almost to the vanishing point as causes of death.

Deaths from pneumonia, as reported in these tables, were only 13,708 in 1921 as compared with 22,243 in 1920, an actual reduction from this cause alone of 8,535 deaths, or nearly 40%. If we take into consideration the greater number of

lives at risk in 1921, we might say that pneumonia is only about one-half as serious a cause of death this year as it was last year. Such a large and important variation as this certainly calls loudly for more intensive study of its causation and methods of prevention in order that we may be sure of holding the gain achieved in 1921.

The most amazing factor in the health situation of the year is the almost complete disappearance of influenza as a cause of death. Only 1,730 deaths are reported for ten months of 1921, as against 14,941 for the corresponding period of 1920 which was not regarded as an epidemic year. In fact the rate has been lower in 1921 than for any other year within the last ten, and there is no indication of any upward tendency as the year is drawing to an end.

But there are always some exceptions to be noted and mention must now be made of certain causes of death that are showing increases over those of last year. Suicides and homicides amounting to 4,174, have increased by the number of 1,026 or about four times what the increase would have been had the rate per thousand of 1920 remained constant for 1921. This doubtless is a direct result of war reactions, business depression, unemployment and other phases of economic disturbance, and will largely cure itself as times improve.

A matter of no small concern among the increasing causes of death is the steadily mounting mortality caused by automobiles and other motor-driven vehicles. The number of deaths in 1921 reported by the life insurance companies that furnished their figures for the compilation on which this paper is based, was 2,624, which is an increase of nearly 15% over 1920.

We are rightfully concerned over untimely deaths caused by micro-organisms of the vegetable and animal kingdoms and are willing to spend time and money freely in trying to isolate, study and catalogue them, to the end that their ravages may be held in check. We talk learnedly of bacteria and bacilli but overlook the "*Bacillus Automobilis*," whose presence behind the wheel of his juggernaut can be discovered without aid from the microscope and whose homicides might be largely prevented by more effective policing of our congested highways. Our experience for ten months shows that ten thousand human lives will be brought to premature deaths in 1921 by motor-driven vehicles, at an economic loss to the world of at least \$25,000,000, and yet

we are in the habit of counting automobiling cost in terms only of cars, gasoline, tires and accessories.

As members of the human race, we sense as other men do, the agonies of the heart that result from family separations and we sympathize fully with our fellow men in the mental suffering occasioned by the deaths of the loved ones. But as life insurance men we are compelled to go further and count other costs as well. In some respects we are like the Red Cross workers behind the battle line. We count the dead and succor the wounded. We are back of every sector on which the enemy is making an attack. We know each day how many have fallen and from what causes. We record and tabulate our information months and almost years ahead of the reports that are given out from headquarters in Washington. Does it not seem that in some way we should arrange for more direct communication and greater co-operation with the forces that are fighting the battle for better health and longer average life? From the nature of our business and its wide spread over the entire country and in all kinds of homes we know better and sooner than any other organization or agency the trend of public health and just what is causing deaths among the people from week to week. Why, therefore, should we not resolve here and now to make the Association of Life Insurance Presidents a statistical clearing house to which we shall henceforth report deaths and causes of death every month, to the end that the Association may in turn tabulate them and make reports in aggregate to such Government and State Departments as need such information and will use it in fighting the battle for better National Health and longer life for Mr. Average Man—for him who is the composite of us all.

Treatment and cure of disease will always be in demand, of course, but we must look to preventive medicine for large results in the prolongation of human life. Great progress has been made within very recent years and it may possibly be that the lowered death rate of 1921 is the beginning of a fulfillment of prophecies made a few years ago, that the average span of life would some day be lengthened by several years. However that may be, let us form as many alliances as possible and consolidate our forces with a view to holding the very substantial gains we have made. To revive a war phrase, "Let us dig in, on the line of our advance." We see in the Life Insurance Mirror more clearly than anything else that many diseases make disastrous headway more because

of belated interest and tardiness of action on the part of Health Officers than from any lack of knowledge of what to do in the face of danger fully realized.

Let us therefore be more alert to sound alarms.

Let us furnish, as we can very easily, the advance information on which intelligent action may be taken to prevent the ravages of those preventable diseases which are shortening so much the span of human life.

Let us give earnest and stimulative support to the agencies that are working to stamp out these unnecessary and inexcusable causes of death.

Let us thus help toward improving average longevity and thereby gain for our policyholders not only a corresponding reduction in the cost of their life insurance, but also what they want most—additional years of life and happiness on this earth.

TABLE A.
Comparison of Causes of Death for First Ten Months of 1920 and 1921.
Ordinary Business of Thirty-seven Life Insurance Companies.
Number of Deaths and Death Rates per 100,000 Exposed.

Causes of Death	Ordinary Business				Percentage, 1921 of 1920	
	1st 10 Months 1920		1st 10 Months 1921			
	No. Deaths	D.R. per 100M	No. Deaths	D.R. per 100M		
1. Typhoid fever	503	6.7	542	6.9	107.8 103.0	
2. Influenza	5,964	79.0	555	7.1	9.3 9.0	
3. Tuberculosis (all forms)	5,163	68.4	4,744	60.7	91.9 88.7	
4. Cancer	4,828	64.0	5,194	66.5	107.6 103.9	
5. Cerebral hemorrhage	4,117	54.6	4,131	52.9	100.3 96.9	
6. Organic diseases of heart	6,871	91.1	6,944	88.9	101.1 97.6	
7. Pneumonia (all forms)	6,201	82.2	3,741	47.9	60.3 58.3	
8. Other respiratory diseases	752	10.0	700	9.0	93.1 90.0	
9. Bright's disease	4,097	54.3	4,053	51.9	98.9 95.6	
10. Puerperal state	347	4.6	378	4.8	108.9 104.3	
11. Suicides	1,240	16.4	1,722	22.0	138.9 134.1	
12. Homicides	302	4.0	468	6.0	155.0 150.0	
13. Automobile accidents and injuries	873	11.6	953	12.2	109.2 105.2	
14. Other external causes	3,497	46.3	3,351	42.9	95.8 92.7	
15. All other causes	16,128	213.7	18,113	231.9	112.3 108.5	
16. Total All Causes	60,883	806.8	55,589	711.7	91.3 88.2	
Years of life exposed to risk.....	7,546,231		7,811,171			

The mortality experience included in the above tabulation is based upon 68.64% of the total number of Ordinary policies in force December 31, 1920, in all American companies.

The total number of deaths for the first ten months of 1921, Ordinary, is 91.30% of the deaths for the first ten months of 1920. Decrease 8.70%.

TABLE B.
Comparison of Causes of Death for First Ten Months of 1920 and 1921.
Industrial Business of Four Life Insurance Companies.
Number of Deaths and Death Rates per 100,000 Exposed.

Causes of Death	Industrial Business		Percentage, 1921 of 1920		
	1st 10 Months 1920	1st 10 Months 1921			
No. Deaths	D.R. per 100M	No. Deaths	D.R. per 100M	Deaths	Death rate
1. Typhoid fever	825	5.9	837	5.7	101.5 96.6
2. Measles	1,148	8.2	492	3.4	42.9 41.5
3. Scarlet fever	651	4.7	942	6.4	144.7 136.2
4. Whooping cough	895	6.4	547	3.7	61.1 57.8
5. Diphtheria	2,555	18.3	2,891	19.8	113.2 108.2
6. Influenza	8,977	64.4	1,175	8.0	13.1 12.4
7. Tuberculosis (all forms)	20,125	144.3	17,699	121.0	88.0 83.9
8. Cancer	9,776	70.1	10,671	72.9	109.2 104.0
9. Meningitis (all forms)	881	6.3	782	5.3	88.8 84.1
10. Cerebral hemorrhage	8,615	61.8	8,471	58.5	101.1 96.3
11. Organic diseases of heart	16,867	120.9	17,471	119.4	103.6 98.8
12. Pneumonia (all forms)	16,042	115.0	2,967	68.1	62.1 59.2
13. Other respiratory diseases	2,737	19.6	2,032	13.9	74.2 70.9
14. Diarrhoea and enteritis	2,392	17.1	2,327	15.9	97.3 93.0
15. Bright's disease	10,555	75.7	10,306	70.5	97.6 93.1
16. Puerperal state	3,082	22.1	2,747	18.8	89.1 85.1
17. Suicides	856	6.1	1,130	7.7	132.0 126.2
18. Homicides	750	5.4	854	5.8	113.9 107.4
19. Automobile accidents and injuries	1,438	10.3	1,671	11.4	116.2 109.8
20. Other external causes	6,984	50.1	6,733	46.0	96.4 91.8
21. All other causes	28,907	207.3	29,290	200.2	101.3 96.6
22. Total All Causes	145,058	1040.0	129,271	883.7	89.1 85.0
Years of life exposed to risk.....	13,947,865		14,628,245		

The Industrial business of the four companies included above represent 51.38% of the total number of Industrial policies in force December 31, 1920.

The total number of deaths for the first ten months of 1921, Industrial, is 89.12% of the deaths for the first ten months of 1920. Decrease 10.88%.

Causes of Death	1st 10 Months 1920			Percentage, 1921 of 1920	
	No. Deaths	D.R. per 100M	No. Deaths	D.R. per 100M	Deaths
					Death rate
1. Typhoid fever	1,328	6.2	1,379	6.1	103.8 98.4
2. Influenza	14,941	69.5	17,30	7.7	11.6 11.1
3. Tuberculosis (all forms).....	25,288	117.7	22,443	100.0	88.8 85.0
4. Cancer	14,604	67.9	15,865	70.7	108.6 104.1
5. Cerebral hemorrhage	12,732	59.2	12,838	57.2	100.8 96.6
6. Organic diseases of heart.....	23,358	110.4	24,415	108.8	102.9 98.6
7. Pneumonia (all forms).....	22,243	103.5	13,708	61.1	61.6 59.0
8. Other respiratory diseases.....	3,489	16.2	2,732	12.2	78.3 75.3
9. Bright's disease	14,652	68.2	14,359	64.0	98.0 93.8
10. Puerperal state	3,429	16.0	3,125	13.9	91.1 86.9
11. Suicides	2,096	9.8	2,852	12.7	136.1 129.6
12. Homicides	1,032	4.9	1,322	5.9	125.7 120.4
13. Automobile accidents and injuries.....	2,311	10.8	2,624	11.7	113.5 108.3
14. Other external causes.....	10,481	48.8	10,084	44.9	96.2 92.0
15. All other causes, excluding children's diseases on Ind'l business	45,035	209.5	47,403	211.2	105.3 100.8
16. Sub-total—(lines 1 to 15).....	197,419	918.5	176,879	788.3	89.6 85.8
 CHILDREN'S DISEASES*					
17. Measles	1,148	8.2	492	3.4	42.9 41.5
18. Scarlet fever	651	4.7	942	6.4	144.7 136.2
19. Whooping cough	895	6.4	547	3.7	61.1 57.8
20. Diphtheria	2,555	18.3	2,891	19.8	113.2 108.2
21. Meningitis (all forms).....	881	6.3	782	5.3	88.8 84.1
22. Diarrhoea and enteritis.....	2,392	17.1	2,327	15.9	97.3 93.0
23. Sub-total—Children's diseases*.....	8,522	61.1	7,981	54.6	93.7 89.4
24. Grand Total All Causes.....	205,941	958.1	184,860	823.8	89.8 86.0
Years of life exposed to risk**....	21,494,096		22,439,416		

*For Industrial Companies only. Death rates in lines 17 to 23 based upon Industrial exposure to risk.
The mortality experience included in the above tabulation is based upon 68.64% of the total number of Ordinary policies in force December 31, 1920, and 51.38% of the total number of Industrial policies in force December 31, 1920, as reported for all American companies, while the combined experience represents 55.72% of all policies both Ordinary and Industrial.
The total number of deaths for the first ten months of 1921, Ordinary and Industrial, is 89.76% of the deaths for the first ten months of 1920, a decrease of 10.24%.
**For computing death rates in lines 1 to 15, and 24, combined Ordinary and Industrial business.

NEW LIFE INSURANCE BUSINESS OF 1921; WHAT IT MEANS

By JOHN M. HOLCOMBE

President, *Phoenix Mutual Life Insurance Co.,*
Hartford, Conn.

I bring for your cogitation and reflection the latest figures disclosing the new life insurance business in 1921 and ask you to consider with me the significance of these figures. By so doing, we will be stimulated from the volume indicated, and by comparison and analysis can proceed more intelligently to the work of the succeeding year. Returns have been furnished by 148 of the 272 life insurance companies doing business in the United States. These 148 companies wrote 97% of the new business of 1920. Their 1921 returns are based on the actual amount of new business paid for up to November 1st of this year, plus an estimate for the remaining two months.

From these returns it is estimated that the new business record for 1921 will show the issue of 13,150,000 policies, representing insurance to the amount of \$8,535,000,000. In 1920, the number of new policies issued was 13,248,000, insuring \$10,105,000,000. The 1921 record, therefore, shows a comparatively small decrease in the number of policies issued, but about 15% less in the insurance represented by these policies.

Twenty years ago, in 1901, American life insurance companies wrote \$2,020,000,000 of new insurance. A decade later, in 1911, the amount of new insurance was \$2,870,000,000, an increase of a little more than one-third. In 1921, therefore, the issue was almost three times that of 1911. In the years 1919 and 1920, the issues were much greater than ever before. Money was plentiful and the results of the war and the epidemic of influenza had impressed upon the people the need of life insurance. In 1921, however, the business has been affected by trade condi-

tions, strikes, loss of employment and general retrenchment. Notwithstanding this, the amount of life insurance this year will exceed that of any single year, with the exception of 1920.

It is pertinent to note additional facts in the background in discussing the new insurance of the last three years. Up to 1919, new life insurance each year, on the average, increased about 10%. This was the experience covering about 20 years. One year the increase was as high as 18%. Another year it was as low as 4%. In four different years, including 1914, there were decreases in the amount of new business. But, on the average, roughly speaking, an annual increase of 10% is shown. Then, in 1919, came the unparalleled increase of 62% over the new business of 1918. Most of us in the life insurance business would have been satisfied at the time if the 1920 new business had equalled that of 1919. We could hardly expect an increase. Yet it eventuated. When the returns for 1920 were in, it was found that the new business was 21% greater than in 1919. Therefore, that the aggregate amount of new life insurance in 1921 is less than that issued in 1920, is cause neither for surprise nor disappointment. In moral potentiality, considering the conditions under which the 1921 new insurance was bought by the American people, the results mark progress rather than retrogression.

Whatever may be the reason for the lessened amount this year, it is clear that the importance of that protection which life insurance alone can furnish has been growing upon the people for many years past.

These figures, standing by themselves, are impressive, but can best be understood by comparing them with other records and showing the basis upon which they rest. The holder of each policy knows, or at all events he should understand, that his life has a real value in the present worth of its future earnings greater than the amount of the insurance. In the aggregate it is safe to say that these values far exceed the total amount of the insurance issued or outstanding. A contract of insurance is one of indemnity and not of profit, for, if it is legitimate, no matter what kind of insurance it may be, the thing insured must be worth more than the amount of the insurance.

Information taken from the official reports of the Insurance Commissioner of Connecticut may point certain morals. In the single year 1920, the various insurance companies doing busi-

ness in that state guaranteed to its citizens protection against damage by fire to the amount of more than \$1,000,000,000.

And what is the value in the aggregate of the lives of the thrifty inhabitants of that ancient commonwealth? From one example some light may be thrown on this complicated question. Some 350,000 of the total number employed in industries made reports to the Bureau of Labor. Of this number more than 200,000 were married men. The wages paid to all these workers amounted to \$420,000,000, and it is no doubt within the facts to assume that of this sum the married men received at least \$300,000,000. As much the greater number of these men were under fifty years of age, it can be taken for granted that the present value of the future earnings of these lives would average at least \$5,000 each. On this basis then, the value of these men alone would amount to \$1,000,000,000. As the officers, managers, and office employees of these enterprises are not included in these returns, it will be realized that the lives of these people are not among the most productive and that in the aggregate the present value of their future earnings is but a small portion of the total value of the earning power of all the people of that state.

To what extent are those dependent upon these lives protected in the frugal state of Connecticut? The report of the Insurance Commissioner shows that, in the year 1920, new life insurance was issued to the amount of \$141,000,000, and at its close there was \$636,000,000 of life insurance outstanding. What relation this sum bears to the total value of the property liable to destruction would be only guess-work, but that these lives are insured for but a small fraction of their total value cannot be doubted.

It does not require any strain of my imagination to believe that the present value of the future earnings of the productive lives of the State of Connecticut, would amount to ten times, very likely twenty times the value of this particular group.

Moreover, without human lives nothing can have a value. Five hundred years before the Christian era a splendid city stood in the Island of Sicily, inhabited by some 500,000 people. Syracuse was called the wealthiest city of its times. Its streets were lined with stately buildings, devoted to the requirements of the times and the comfort and pleasure of its inhabitants. The value of the land was no doubt comparable with that of a

similar city of modern times. Today the number of its citizens, gathered in what was a small section of the old city, scarcely exceeds 30,000. The land is still there, the neighboring seas and harbors are unchanged, but most of the shops and warehouses, mansions and theaters, are gone or only remain in ruins. If bonds had been issued for borrowed money, the holders would look in vain for the payment of their obligations, for no matter how valuable these lands may have been, they have now no earning power to carry on those transactions which produce an income and create and maintain wealth.

Some ninety years ago there lay on the southern shore of Lake Michigan a level plain, with but a scattering population, valued by the acre or, perhaps, even by the square mile. On that land now stands a city with a population of 2,700,000 people. Great and costly buildings have been erected for the business, comfort, health and pleasure of its people. The assessed valuation of its taxable property is some \$1,700,000,000 and its bonded indebtedness is in excess of \$70,000,000, which amount has been loaned to it by investors living in many places, near and remote. These bonds are generally considered to be secured by lands and buildings, but both might still remain and if the men and women of the city should depart, the real security would be destroyed, for the actual guarantee grows out of the activities and earnings of the human beings who now live there or will when these obligations mature.

A government bond does not specify any visible property as security and no suit can be instituted to enforce its payment. Upon what, then, does it rest? It depends wholly upon the earning power of the people occupying the country within its jurisdiction; and whether the security for a debt rests upon a single building or a collection of structures of various kinds, or solely upon the unsecured promise of a government, the means to pay come from human effort guided by education and experience and animated by the ambition of its people to better their conditions and care for their dependents.

RECENT FLUCTUATIONS IN POLICY LOANS

BY HENRY S. NOLLEN

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About 18 months ago, the demand for loans on policies began to show a marked increase, which has risen so steadily in all of the Companies throughout the country that an inquiry into the prevailing tendency among policyholders to borrow upon the security of their policies seems timely.

At the annual meeting of this Association in 1913, General Counsel Robert Lynn Cox presented a very comprehensive statement of the growth and geographical distribution of policy loans and premium notes; and President Arthur E. Childs, of the Columbian National Life Insurance Company made a convincing argument as a warning against the continued increase in such loans as unsatisfactory in its results to beneficiaries and policyholders, as well as to the Companies, and urged Company executives to give serious attention to this subject.

Within the eight years since these papers were presented, there have been marked changes in the proportion of assets of Life Companies invested in loans to their policyholders, which may have been, in part, due to efforts to educate policyholders but probably more to the radical changes in economic conditions following the course of world events.

The accompanying Chart 1* gives a graphical presentation of policy loans and premium notes to reserves from the years 1888 to September, 1921, indicating a rise during the 23 years preceding 1915, when the maximum was reached, followed by a sudden decline during a period of four years, until 1919, when the ratios again began to rapidly increase, as indicated from the carefully prepared statistics of various companies. Table

*See page 37.

I contains the figures compiled from the Insurance Year Book for the years 1888 to 1920 inclusive.

In order to analyze the trend of these policy loan ratios, this Association has made a compilation of data kindly reported by companies showing the amount of policy reserves and corresponding amount of policy loans and premium notes for each state and territory, and has classified these into nine regional groups to indicate the geographical distribution, as follows: Group I. New England; II. Middle Atlantic; III. Central Northern; IV. South Atlantic; V. Gulf and Mississippi Valley; VI. Southwestern; VII. Northwestern; VIII. Pacific; and IX. Territories.

These compilations are presented in Table II for the close of the years 1911, 1914, 1917, 1919, 1920 and for September 30, 1921. The totals for the United States of the Companies reporting, upon each of the dates named, are shown in the following Table for comparison:

Date	Policy Reserves	Amt. Policy Loans and Premium Notes	% Loans and Notes to Reserves
1911	2,853,922,642	456,217,360	15.96
1914	3,407,605,405	611,666,947	17.95
1917	4,090,694,576	669,206,075	16.36
1919	4,972,895,634	674,710,662	13.57
1920	5,548,497,400	768,001,884	13.84
Sept. 30, 1921..	5,673,258,075	832,689,409	14.68

Although there is some variation in the number of Companies represented in the above aggregates, these statistics are based upon data supplied by Companies having approximately nine-tenths of the invested assets of all Life Companies transacting business in this country, and we may reasonably assume that the trend of the ratios of loans to reserves would not be materially changed in a complete report of the entire business of all Companies.

A summary of the ratios for each group is given below with figures for 1907 added for comparison:

RATIO OF LOANS AND NOTES TO RESERVES

Group of States	1907	1911	1914	1917	1919	1920	1921
I New England	12.19	14.19	15.08	13.37	11.07	11.45	11.93
II Middle Atlantic	13.65	15.57	16.77	14.67	12.33	12.51	12.93
III Central Northern	11.21	13.49	14.83	13.35	11.31	11.44	12.18
IV South Atlantic	13.89	18.76	23.71	23.26	18.94	19.50	22.29
V Gulf & Miss. Val	14.18	19.11	23.99	23.51	19.76	20.17	21.94
VI Southwestern	13.26	18.73	22.34	21.89	17.44	17.49	18.76
VII Northwestern	11.88	16.02	16.41	15.00	12.55	13.87	16.05
VIII Pacific	15.69	20.09	23.45	21.48	17.46	17.07	17.98
Total United States	13.07	15.99	17.97	16.36	13.56	13.84	14.68
IX Territories	10.51	13.57	5.43	16.98	15.81	14.05	12.39
Total United States and Territories	13.07	15.96	17.95	16.36	13.57	13.84	14.68
Percent, admitted assets of reporting Companies to assets of all life Companies in United States	93.19	92.78	89.92	90.69	93.34	88.87	

Chart 2 visualizes the ratios contained in the foregoing Table for each one of the eight regional groups in the aggregate and for the United States. Charts 3 and 4 are respectively similar graphs for comparison of the states maintaining the lowest ratio in each group and the states maintaining the highest ratio in each group.

A glance at these Charts is sufficient to indicate that there is a general uniformity in all of the groups in the trend of ratios of loans to reserves, and that the variation from the average in the United States is one of *degree* rather than of *tendency*. All attained the highest ratios in the year 1914, after which there was a general decline to the year 1919, followed by a sudden increase in the percentages since the beginning of 1920.

In making a comparison of the ratios for any state or group, at different periods, account must be taken of the fact that the intervals between the dates are not equal. They vary from four years in the first interval to three-quarters of a year in 1921. The corresponding Charts, however, show at a glance, by the slant of the lines, the comparative rate of change as well as the relative amount of increase or decrease during each one of the successive intervals for each group and for each one of the states ranking highest and lowest in percentage.

Analyzing the trend of the changes in each group, it is clear that the general rate of increase that prevailed during the four

years from 1907 to the close of 1911 continued during the next three years, and that in 1914 the peak in ratios was attained by every group.

The highest average for the United States was attained in 1914, with a percentage of 17.97. It then steadily fell to 13.56% in 1919, and has since increased to 14.68 in September, 1921.

In the New England and Northwestern groups there was a slackening of the rate of increase from the years 1911 to 1914 as compared to the preceding four years. In the Central Northern and Middle Atlantic and the Southwestern and Pacific groups the rate of increase was practically uniform during the seven years preceding 1914. In the South Atlantic and the Gulf and Mississippi Valley groups, there was a slight acceleration in the rate of increase from 1911 to 1914 over the preceding period.

From 1914 to 1919, in all of the groups, a remarkable decline in the ratios prevailed, and there is a similarity in the trend which was slower during the first three years and had accelerated in the last two years of this five-year period.

At the close of 1919, when the drop in percentages had reached its low mark, the figure for the entire United States corresponded closely to that in the year 1907. The New England and Middle Atlantic groups had, at that time, fallen below their 1907 ratio, but the South Atlantic and Gulf and Mississippi Valley groups still remained considerably above their 1911 mark.

A sudden change from the downward trend to a rise in loan ratios appears in all of the groups in the year 1920, except the Pacific group which ended the year with a lower mark than in 1919, but the rate of decline was perceptibly slackened and in common with every other group, it recorded a very sharp increase during 1921.

As will be pointed out in a monthly record these comparisons of the status at the close of the years do not manifest the fluctuations within the year, so that the conclusion cannot be drawn that the reversal of trend occurred at the close of 1919 in all the groups, except the Pacific Coast and was there delayed another year.

A monthly record for each group would probably indicate that the decline continued into the early part of 1920, and that the rise in the Pacific group also began in that year, although perhaps later than elsewhere.

Considering the years 1920 and 1921, the most favorable con-

dition has prevailed in the New England and Middle Atlantic groups, in which the increase in percentage for the nine months of 1921 is practically the same as the annual rate of increase in the period following the year 1907. The greatest acceleration has occurred within the past two years in the Northwestern and South Atlantic groups. The Northwestern has, within the current year, attained a percentage above the average of the United States, which, in prior years, was comparatively low.

There is a *wide range* in the percentages of loans among the various groups. The Central Northern group, until the year 1917, maintained the lowest ratios, but it has, in the current year, been displaced in low rank by the New England group with a percentage of 11.93.

The South Atlantic and Gulf and Mississippi Valley groups have also maintained a close parallel in the highest prevailing ratios during the entire 14 years. The South Atlantic group, in 1921, leaped above all others with a ratio of 22.29—nearly twice the lowest ratio.

In 1919 the New England group declined to a ratio of 11.07, which was the lowest of any group in the entire 14-year period under observation. The Central Northern had, in that year, almost returned to its corresponding ratio in 1907, when at 11.21 it was lowest. The highest percentage reached by any group was 23.99 in 1914, attained by the Gulf and Mississippi Valley group.

The relative position among the groups of the lowest and highest ratios is approximately the same in 1921 as at the peak in 1914.

The averages for each group are fairly representative of the states contained in it, inasmuch as the groups are, in general, homogeneous. This is clearly shown upon examination of Chart 5. There is, however, a wide range in the percentages attained by the states in each group which they compose. This is most marked in the Southwestern group in the difference between the states of Missouri and Texas.

In the South Atlantic group the state of West Virginia maintains ratios considerably below that of any other state in the group. It compares favorably with the New England and Central Northern groups and shows a decline in percentage of loans during the nine months of 1921, while the state of South Carolina, in the same group, shows the greatest increase not only in its group but as compared to all other states, viz., a rise in the

actual percentage of loans of 5.77%, or equal to more than one-fourth of its ratio at the beginning of 1921.

Among all of the states, New Hampshire has persistently supplied the lowest ratios throughout the entire period, and the state of Texas has maintained the highest percentages. In 1914 the New Hampshire ratio was 11.85 and that of Texas 33.35—a difference of 21½ points. This was the year in which most of the states attained their highest ratios, but Texas continued to increase until 1917, when it stood at the maximum of all the states—practically 38%, while New Hampshire had shown a slight decline. At the close of September, 1921, the New Hampshire ratio was 10.33% and in Texas, 32.52%—a difference of 22.19 points. The Texas policyholders have evidently borrowed more than three times as great a proportion of their available reserves as those in New Hampshire.

The states maintaining the lowest ratio in each group are: New Hampshire, New Jersey, Ohio, West Virginia, Kentucky, Missouri, Iowa and Nevada. Their record is graphically shown in Chart 3.

The states recording the highest average ratios in each group are Massachusetts, New York, Illinois, Georgia, Alabama, Texas, North Dakota and Washington, and their record is graphically shown in Chart 4.

The general trend of the ratios is, in most of these states, similar to that of the groups and of the United States, in which the highest ratios were attained in 1914. One exception is New Hampshire, which marks a steady decline from the year 1911 to 1920 and a rise in 1921. Minnesota is the only other state which attained its peak in 1911 and declined until the year 1919.

In the states of New Mexico, Florida, Alabama, Georgia and Texas, the rise continued until the year 1917, and then declined as in other states until 1919. In the state of Texas, the decline continued until 1920. These states all show a rapid increase in 1921.

In the states of Virginia, North Carolina and North Dakota the rise in the year 1921 has been so great as to bring the ratios above the former peak in those states in the year 1914. Two of these states are in South Atlantic group and one in the Northwestern group, which are the two groups recording the greatest acceleration during the years 1920 and 1921.

Considering only the years 1920 and 1921 there are 14 widely scattered states in which the rate at the close of 1920 stood

below the 1919 figure, but all of these record an increase in the year 1921. Among ten of them, the net result is a higher ratio in September of this year than 18 months ago. Among four of them the increase has not yet brought the ratios up to the 1919 figure.

In the states of Maine and West Virginia alone there is recorded a steady decline during the past 18 months.

New Mexico is peculiar in its decline in 1921, which is slightly greater than the increase in 1920.

These variations, like the different degrees of change manifested in the groups, probably indicate that the recent upward trend in demand for loans began at different times in various localities.

The comparison of ratios at the close of the year 1920 with those of the preceding year do not indicate the change in trend within the year. In order to ascertain, as nearly as possible, the time when the upward trend actually began throughout the country, tabulations were made of the monthly changes from figures supplied by companies in different localities. The records of these companies so closely paralleled each other that the average ratio for each month, from December, 1915, to October, 1921, as shown in Chart 6, is submitted as a fair indication of the general monthly trend in the United States.

The prevailing decline in ratios in the year 1919 continued until the month of April, 1920, which is the probable date upon which the general increased demand for loans first manifested itself. In this chart, the trend from the years 1915 to 1919 and the net increase in ratio during the year 1920, correspond closely with the records of the groups in general. The trend to the month of October, 1921, indicates that there is no material change in the rate of acceleration and suggests that it may be continued for an indefinite time.

It is natural to inquire to what extent the trend of *new business* has affected policy loan ratios. Chart 6 also contains an index of the joint monthly production of certain representative companies for comparison with the policy loan ratios.

The average production for the years 1914 and 1915 was taken as a base from which to register the relative "paid for" business each month during the past six years. A uniform course of progress is shown until the fall of 1918 when a rapid increase in new business began and continued until about the month of

March, 1920, since which time there has been a downward trend in production.

The month which records the peak in production immediately precedes the month showing the lowest ratio of loans to policy reserves.

Inasmuch as the reserves upon policies in general become available for loans at the end of the second policy year, the rapid growth of business in the 18 months prior to 1920 tends to increase the aggregate of policy reserves at a faster rate than reserves available for loans. On the other hand, a decline in the rate of production would tend to enlarge the proportion of policy reserves available for loans in comparison to the aggregate of all policies.

It is probable, therefore, that the decline in loan ratios prior to March, 1920, and the subsequent rise in these ratios, has been augmented on account of the abnormal increase and subsequent change in the trend of new business written.

A comparison of the geographical distribution in which the lowest and highest ratios prevailed, led to an investigation of the predominating activities of the population in each group. For that purpose Chart 7 was prepared, showing the ratio of rural to the total population in each one of the groups and for the United States and the corresponding ratios of policy loans on December 31, 1919, and September 30, 1921. As a general rule, the higher loan ratios correspond to those districts in which the larger percentage of rural population prevails.

In the Pacific group, where the percentage of rural population is slightly below that of the United States, there is a higher ratio of loans; but in all other groups maintaining a lower ratio of rural population, there is a correspondingly lower ratio of loans than shown in the United States.

The Northwestern group marks the only other exception in relative position. Its rural population is greater in proportion than the average in the United States, but until the present year, its percentage of loans was considerably below the corresponding figure for the entire country. At present, it stands in the same relation as other groups and this confirms the conclusion that the trend of economic conditions has caused agricultural districts to avail themselves of loans on policies to a greater extent than other localities in which other branches of industry predominate.

Deductions from these figures should be drawn only with due regard to the fact that the comparisons presented are on the basis of *percentage* of loans to policy reserves, without reference to the aggregate amounts of loans involved.

In the New England, Middle Atlantic and Central Northern groups, where the industrial arts and trade are dominant activities, the amount of loans is reported to be one and one-half times the combined total in the other portions of the United States where agriculture ranks as of chief importance.

A study of the percentages, however, indicates that the trend of loans has some dependence upon the manner in which each locality has been affected by the recent change in economic conditions.

The scarcity of money, with resulting high interest rates, makes the policy loan peculiarly attractive because of its limited low rate of interest and availability on demand of the borrower, without any right of restraint by the lender. A bank or other lender may inquire into the purpose for which a borrower proposes a loan, but the Life Company cannot control the direction of its policy loans, being under contractual obligation to supply funds regardless of the purpose for which they are to be used.

Although Life Companies do not have a right to make the inquiry, a number of policyholders have voluntarily stated the needs that compelled them to apply for a policy loan, and from this source we find that, particularly within the past 18 months, the following reasons have prevailed:

- To pay premiums on policies.
- To pay interest due on obligations to banks.
- To pay maturing notes to banks, or portions of indebtedness to procure extensions on the balance.
- To pay outstanding accounts to merchants and for professional service.
- To pay rental on farms.
- To pay taxes—particularly during the last half of 1921.
- To purchase supplies for current needs of equipment, food and clothing.
- To meet the pressing demand of creditors who could force a premature sale of stock or grain at a sacrifice.
- In some instances, to invest the proceeds of the loans at a profit.

A survey of the occupations of policyholders who have recently borrowed on their policies discloses the fact that they represent every branch of human activity, and no class or locality

has remained exempt. Bankers, as well as farmers; merchants and those engaged in the professions; manufacturers and executives of large enterprises, as well as employees—are mingled in the list of borrowers, which may account for the fact that in the past year the average amount loaned to each policyholder has steadily risen.

The various reasons for their demands may all be summarized in one underlying cause—“*financial stringency*.”

Many loans were applied for in the beginning of the recent advance because the rate of interest for these loans, fixed in the policy, was far below the current market rates, but later, those in need of funds found it impossible to procure them at banks or elsewhere regardless of their financial standing in their community.

Reports have been general that practice prevailed among bankers to urge policyholders to borrow on their policies for the purpose of reducing local debts and, so far as possible, aiding in the process of liquidation. The heaviest increase in demands for policy loans came at the time when the general campaign to liquidate so-called “frozen credits” began, and banks throughout many sections were compelled to discontinue making new loans.

Among the country bankers who have procured loans on their policies, some have made excuse on the ground that they wished to avoid criticism for reporting obligations to their own banks in official statements. Others have frankly stated that they were borrowing the limit on all their policies because they could re-loan the proceeds at a much higher rate of interest and make considerable profit. In one case, it was stated the profit would pay the annual premiums on the policies.

These instances cited indicate the important benefit which the policyholder has in having a fixed policy loan privilege in his contract which is not subject to fluctuating interest charges. It is true, however, that the Life Company is compelled to be prepared to meet demands for policy loans, with the result that in times of general financial stress these investments bring a lower rate of return than the company could realize on other high grade securities.

The following case is doubtless a fair example of the experience of many policyholders in not only agricultural districts but elsewhere: A well-to-do farmer, who owns a large tract of land, well equipped with stock, and who, under ordinary conditions

had credit at his local bank which would enable him to borrow \$5,000 on his unsecured note, sought in vain for the accommodation of a loan at his bank and in neighboring communities. As a last resort, he procured a loan on his policy which had long been in force. On receiving the check, he expressed gratitude to the agent for this timely help, stating that he had never expected to find it necessary to borrow from the Company on his policy; had considered the mention of a policy loan a mere sales talk but now it seemed to be the only source of assistance for pressing needs.

Some tenant farmers have used the proceeds of policy loans to pay cash rents due and not available from the sale of products. They have, as a class, felt the depression in prices of the fruits of their toil more keenly than those who owned the land they cultivate.

The sudden drop in prices of farm products has naturally affected the general business conditions in all agricultural communities, and this, combined with the restriction of loans, is a potent reason for the comparatively larger increase in policy loans in these sections of the country.

An estimate from available tabulations indicates that the total volume of loans to policyholders in all companies is now approximately nine hundred and forty million dollars, and it is likely that at the close of the current year the volume will have reached the billion mark, having nearly doubled in the past ten years.

Since the beginning of January, 1920, there has probably been an increase in these loans in all American companies which will approximate at the end of this year two hundred millions of dollars, which has been distributed among policyholders throughout the country and through them into the communities where the greatest need for financial assistance has prevailed.

This is indeed a notable service rendered by Life Insurance Companies and gives renewed evidence of their utility to the public under all conditions. There is, however, a warning due policyholders who may not have a full appreciation of the responsibility they assume in placing liens upon their policies. Too many regard such loans as a withdrawal of savings for personal use instead of a mortgage upon funds intended for protection of their dependents when in great need. The failure to understand this vital fact causes neglect in repayment of loans

and leads to numerous lapses of insurance and great reduction in the benefits to needy dependents.

The vast majority of policyholders are comparatively small property owners. Many would leave no estate without life insurance. Their dependents may be left in want through neglect of the obligation to keep insurance in full force and as free of liens as possible.

Companies should, therefore, put forth, through their office and field forces, a systematic effort to persuade policyholders to repay their loans as soon as their financial condition will warrant so as to replenish the reservoir which they found so great a means of relief in a time of general stress.

The trying position from which so numerous a body of policyholders have sought relief through policy loans, should be a forceful example of the future needs of their dependents, and, therefore, they can be made to realize that a policy loan, like any other loan, should be regarded as an obligation to be repaid—particularly because these loans represent the withdrawal of savings intended for the use of beneficiaries. Unlike other loans, the lender can bring no pressure for repayment, but companies gladly accept partial payments at any time and encourage the restoration of funds for the future protection of the policyholder's widow and children.

Many policyholders have, in spite of the urgency of creditors, within recent months, restrained themselves from borrowing upon their policies, and a certain number who have been favorably situated, have, as in ordinary times, reduced their loans by cash payments.

While general experience has proven that policy loans are not repaid in large proportions, the year 1919 is remarkable for the fact that the actual aggregate amount of loans to policyholders in all companies was reduced by the considerable amount of Eleven Millions of Dollars. This was the first time in the history of the business in which there was a reduction in the amount of loans. In other years, when a decline in percentage of loans occurred, the aggregate amount of loans had nevertheless grown by reason of the increase in insurance. In 1919, however, the repayments were apparently so large as to overcome new borrowings, and in a year which had produced the greatest increase in business up to that time. This, together with the fact that during the period of greatest speculation there was a comparative

decrease in percentage of loans, and that recent borrowings have been employed principally to meet urgent needs of a vast number of widely scattered policyholders, should encourage the hope that Life Companies may employ recent experience as the means of better education of the public upon the functions and peculiar purposes of Life Insurance and thus encourage all classes of people to avail themselves of the benefits procured through this helpful institution.

TABLE I
RATIO OF POLICY LOANS AND PREMIUM NOTES TO TOTAL RESERVES—1888 TO 1920, INCLUSIVE
INSURANCE YEAR BOOK FIGURES

YEAR	NO. OF COS.	RESERVES ALL OUTSTANDING IN INSURANCE	AMOUNT	POLICY LOANS		PREMIUM NOTES AMOUNT	SUM OF POLICY LOANS AND PREMIUM NOTES AMOUNT	RATIO OF LOANS AND PREMIUM NOTES TO TOTAL RESERVES	
				INCREASE OR DECREASE IN RESERVES	RATIO TO TOTAL RESERVES				
1920	272	\$6,363,517,983	\$846,614,314	13.30%	.02%	\$38,935,834	\$885,550,148	13.92%	
1919	266	5,777,404,012	766,722,716	13.29%	.9%	35,935,164	802,667,079	13.89%	
1918	244	5,352,593,707	781,716,831	14.60%	—	33,665,184	815,385,015	15.23%	
1917	241	4,984,804,998	775,930,339	15.56%	—	33,826,218	809,757,082	16.24%	
1916	241	4,653,657,034	752,950,280	16.18%	—	33,626,284	786,537,654	16.90%	
1915	238	4,362,255,899	741,116,156	17.13%	—	32,042,753	779,158,909	17.86%	
1914	250	4,133,360,895	705,640,172	17.09%	—	31,071,842	735,348,044	17.79%	
1913	260	3,903,615,175	629,325,113	16.12%	—	28,669,834	637,924,247	16.85%	
1912	250	3,667,551,229	559,124,939	15.23%	—	27,797,734	547,794,713	16.37%	
1911	240	3,448,033,704	512,189,723	14.83%	—	26.866	29,600,276	15.71%	
1910	214	3,225,996,060	466,903,528	14.47%	—	28,196,326	495,099,854	15.34%	
1909	189	3,028,542,773	419,038,530	13.89%	—	27,442,338	446,226,462	14.74%	
1908	172	2,828,657,091	387,597,616	13.70%	—	25,667,551	411,257,207	14.61%	
1907	160	2,650,949,033	325,151,354	12.27%	—	23,307,926	348,498,980	13.15%	
1906	137	2,473,124,563	244,375,605	10.9%	—	20,950	245,922,863	10.69%	
1905	112	2,295,289,818	204,701,726	8.92%	—	10,000	225,568,149	9.83%	
1904	93	2,101,025,593	170,438,024	8.11%	—	9,000	20,866,553	9.03%	
1903	92	1,916,478,833	140,490,744	7.37%	—	8,000	18,797,779	8.27%	
1902	80	1,777,980,922	110,349,662	6.35%	—	7,000	18,766,665	7.36%	
1901	80	1,583,763,720	88,549,910	5.59%	+11.6%	1,26%	19,888,906	108,438,671	6.85%
1900	76	1,443,432,319	72,291,360	5.01%	+19.0%	1,12%	16,209,215	88,500,575	6.13%
1899	69	1,322,485,263	55,719,882	4.21%	+4.21%	1,17%	15,167,72	70,836,554	5.35%
1898	60	1,202,509,993	42,921,286	3.57%	+3.57%	1,12%	57,238,660	189,727,609	4.76%
1897	56	1,118,620,571	37,817,392	3.38%	+3.38%	1,07%	51,922,850	188,522,850	4.65%
1896	57	1,047,656,922	31,098,535	2.97%	+2.97%	1,31%	44,833,376	44,833,376	4.28%
1895	56	980,248,946	21,985,291	2.24%	+19.8%	1,38%	35,524,530	30,839,727	3.62%
1894	56	914,619,283	17,071,275	1.87%	+18.3%	1,51%	13,622,452	3,24%	—
1893	56	853,072,294	13,481,653	1.58%	+14.9%	1,66%	14,187,108	27,659,171	3.24%
1892	56	789,188,196	8,072,532	1.03%	+2.0%	1,79%	14,997,254	22,103,066	2.81%
1891	53	727,497,575	7,533,460	1.04%	+3.0%	1,86%	13,320,180	21,033,640	2.90%
1890	50	669,963,668	5,332,668	.80%	+9.0%	2,17%	14,770,774	19,903,242	2.97%
1889	49	616,302,463	4,532,509	.71%	+19.7%	2,49%	15,336,323	19,899,332	3.22%
1888	46	566,778,050	3,446,808	.61%	2,71%	15,368,002	18,804,810	3.32%

REDUCTION RATIO

14:1

**PM-MGP 13"X18"
METRIC GENERAL PURPOSE TARGET
PHOTOGRAPHIC**

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PRECISIONSM RESOLUTION TARGETS

Century



1303 Geneva Avenue

St Paul, MN 55119

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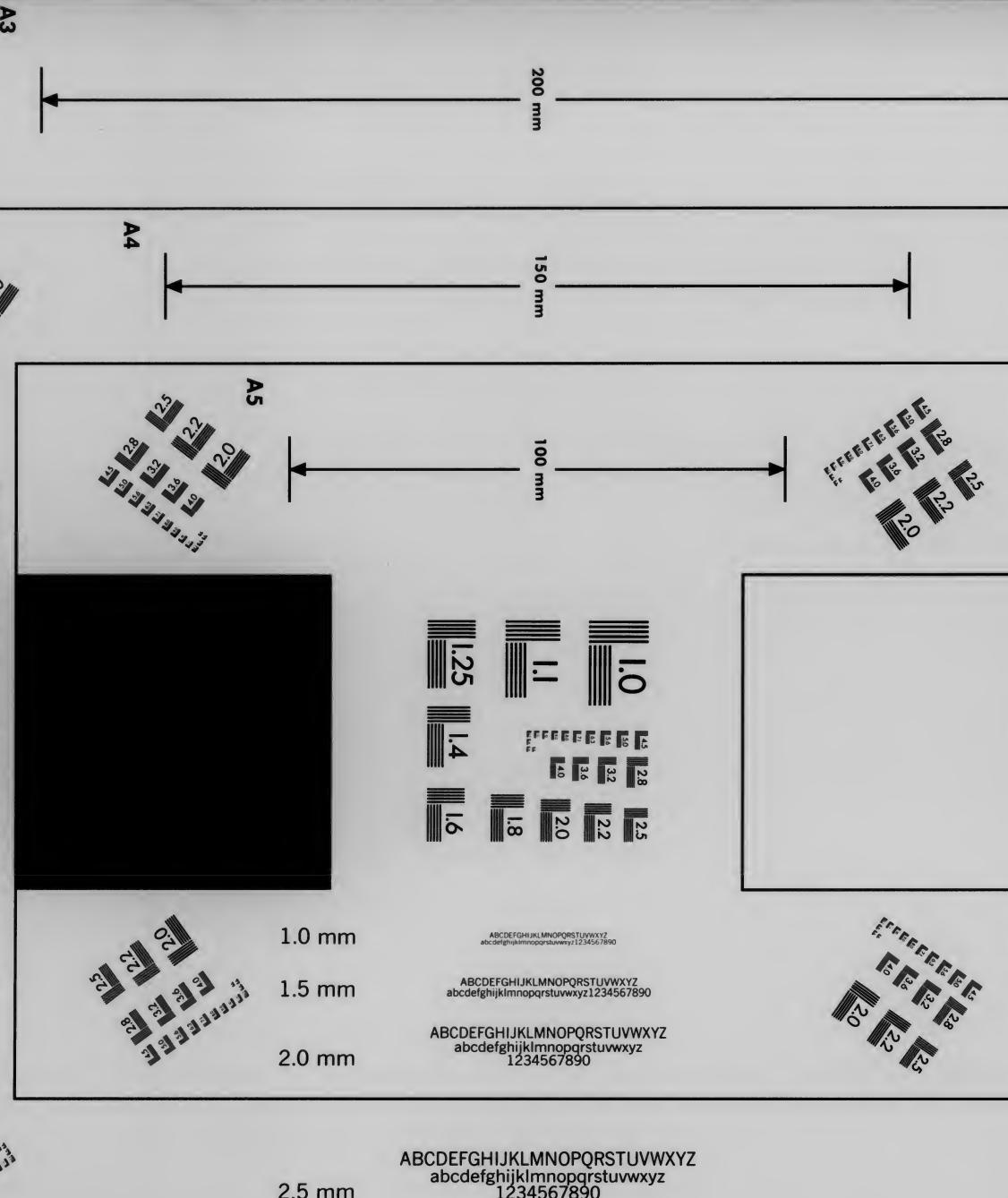


TABLE II
COMPARISON OF POLICY LOANS AND PREMIUM NOTES WITH TOTAL POLICY RESERVES FOR THE YEARS 1911, 1914, 1917, 1919, 1920 AND SEPT. 30, 1921

	DEC. 31, 1911	DEC. 31, 1914	DEC. 31, 1917	DEC. 31, 1919	DEC. 31, 1920	SEPT. 30, 1921										
STATES	TOTAL RESERVES	POLICY LOANS AND PREMIUM NOTES	RATIO OF LOANS AND NOTES TO RESERVES	TOTAL RESERVES	POLICY LOANS AND PREMIUM NOTES	RATIO OF LOANS AND NOTES TO RESERVES	TOTAL RESERVES	POLICY LOANS AND PREMIUM NOTES	RATIO OF LOANS AND NOTES TO RESERVES	TOTAL RESERVES	POLICY LOANS AND PREMIUM NOTES	RATIO OF LOANS AND NOTES TO RESERVES	TOTAL RESERVES	POLICY LOANS AND PREMIUM NOTES	RATIO OF LOANS AND NOTES TO RESERVES	STATES
New England:																New England:
Maine	\$23,427,489.97	\$2,854,397.68	12.18%	\$27,790,443.43	\$3,589,653.82	12.91%	\$32,830,398.10	\$4,012,283.46	12.22%	\$39,268,268.13	\$4,404,850.38	11.21%	\$42,163,283.90	\$4,563,690.19	10.82%	Alaska
New Hampshire	14,038,361.39	1,676,770.89	11.94%	16,905,985.61	2,004,073.61	11.85%	19,996,891.30	2,130,470.21	10.65%	23,454,059.51	2,274,741.98	9.70%	24,518,138.35	2,337,052.85	9.53%	New Hampshire
Vermont	1,534,001.91	2,109,779.79	13.89%	7,495,179.79	2,429,331.82	13.88%	17,320,781.50	2,531,254.56	13.76%	20,306,545.51	2,556,124.24	12.76%	22,306,545.51	2,597,000.00	12.17%	Vermont
Massachusetts	167,559,196.80	25,159,944.15	12.27%	196,300,909.90	31,330,156.60	15.76%	231,140,128.94	33,360,787.91	14.30%	301,168,711.00	35,035,321.88	11.63%	324,490,290.80	39,207,497.07	12.08%	Massachusetts
Rhode Island	22,208,692.76	2,711,534.43	12.25%	25,774,807.32	3,684,196.42	14.29%	31,919,367.48	4,323,222.05	12.50%	43,232,081.13	4,325,081.13	10.00%	47,210,687.39	4,800,181.59	10.17%	Rhode Island
Connecticut	48,693,870.00	6,389,768.07	13.12%	58,264,768.07	8,587,571.65	14.74%	74,440,858.61	8,960,304.09	12.03%	92,953,961.92	9,066,993.06	9.75%	102,498,682.13	10,879,489.52	10.61%	Connecticut
GROUP I, TOTAL	\$290,768,323.83	\$41,259,136.43	14.19%	\$342,355,667.42	\$51,634,143.94	15.08%	\$411,100,609.49	\$44,990,180.75	13.37%	\$520,936,415.73	\$57,664,232.20	11.07%	\$563,017,582.77	\$64,480,658.31	11.45%	Group I, Total
Middle Atlantic:																Middle Atlantic:
New York	\$522,648,080.24	\$87,464,555.81	16.73%	\$614,580,716.47	\$109,863,839.47	17.87%	\$761,527,473.48	\$117,794,966.34	15.46%	\$941,468,700.96	\$120,406,555.22	12.79%	\$1,042,617,869.29	\$136,010,897.11	13.05%	New York
New Jersey	114,202,307.92	14,018,679.70	12.27%	140,241,326.93	19,310,836.70	13.76%	178,744,572.98	22,322,727.34	12.48%	218,014,237.60	23,390,361.40	10.73%	240,948,080.79	25,524,133.24	10.59%	New Jersey
Pennsylvania	318,844,837.55	48,946,258.85	15.35%	365,057,097.08	60,040,810.41	16.44%	432,771,903.72	61,708,381.04	14.25%	504,206,865.37	61,640,364.23	12.22%	554,346,783.93	67,836,070.41	12.24%	Pennsylvania
Delaware	7,099,511.36	8,900,563.63	12.54%	8,236,469.43	1,176,268.96	14.28%	10,585,669.23	1,595,526.67	15.07%	13,909,070.06	1,909,070.06	13.68%	15,264,301.36	1,835,406.11	12.02%	Delaware
Maryland	49,021,983.12	6,583,725.07	13.43%	58,141,690.20	8,542,127.75	14.69%	72,208,155.86	9,692,642.57	13.42%	85,897,930.54	9,613,122.92	11.19%	93,140,744.27	10,937,818.42	11.74%	Maryland
Dist. of Columbia	22,649,927.63	3,157,711.70	13.94%	26,293,548.49	4,427,445.32	16.83%	30,511,677.51	5,070,136.00	16.61%	35,334,427.08	5,393,094.11	15.26%	38,181,093.32	6,042,167.60	15.82%	Dist. of Columbia
GROUP II, TOTAL	\$1,034,466,678.2	\$161,061,494.58	15.57%	\$1,212,550,848.60	\$203,361,328.61	16.77%	\$1,486,349,452.78	\$218,184,378.96	14.67%	\$1,798,874,924.73	\$222,352,567.94	12.33%	\$1,984,495,872.96	\$248,186,491.89	12.51%	Group II, Total
Central Northern:																Central Northern:
Ohio	\$167,074,894.99	\$21,513,759.04	12.87%	\$197,266,518.72	\$26,497,196.36	13.43%	\$247,033,821.42	\$28,801,086.70	11.65%	\$312,799,152.31	\$31,348,922.91	10.02%	\$349,902,450.40	\$36,198,202.66	10.35%	Ohio
Michigan	69,477,188.81	10,022,288.14	14.42%	87,708,877.46	13,318,806.55	13.57%	107,682,121.51	14,641,732.39	13.59%	133,749,152.31	15,323,619.85	11.48%	154,032,611.51	17,110,787.85	11.77%	Michigan
Indiana	26,317,837.50	4,934,370.04	18.75%	7,171,837.50	7,171,837.50	100.00%	10,621,372.39	11,679,126.74	11.77%	12,609,125.51	14,249,607.81	11.18%	12,782,225.35	14,955,787.81	11.55%	Indiana
Illinois	228,577,350.67	31,977,222.40	13.99%	274,551,855.70	44,490,897.01	16.20%	325,539,661.59	48,102,364.60	14.77%	398,813,356.69	50,612,147.74	12.69%	437,333,374.79	56,049,812.39	12.82%	Illinois
Wisconsin	60,558,258.64	7,969,377.67	13.16%	73,545,247.18	10,283,502.60	13.98%	78,596,319.16	10,755,266.79	12.28%	10,128,229.79	10,165.24	11.16%	11,249,260.95	11,107,332.51	9.98%	Wisconsin
GROUP III, TOTAL	\$586,706,553.67	\$79,194,768.68	13.49%	\$705,061,376.34	\$104,551,094.36	14.83%	\$854,862,202.25	\$114,118,278.24	13.35%	\$1,053,115,639.70	\$119,072,427.42	11.31%	\$1,179,816,262.84	\$134,962,781.52	11.44%	Group III, Total
South Atlantic:																South Atlantic:
Virginia	\$41,464,534.71	\$6,768,228.44	16.12%	\$51,224,960.26	\$9,406,909.73	18.36%	\$59,141,128.83	\$10,630,242.12	17.97%	\$69,903,717.74	\$10,677,653.65	15.27%	\$76,948,416.62	\$12,772,180.57	16.60%	Virginia
West Virginia	20,058,394.46	2,498,309.05	12.45%	26,179,744.35	3,484,049.18	13.31%	32,660,338.03	4,187,562.82	12.82%	41,400,736.95	4,610,461.68	11.13%	47,443,051.96	5,156,580.13	10.87%	West Virginia
North Carolina	26,317,837.50	4,934,370.04	18.75%	35,050,557.16	7,830,836.04	22.34%	41,046,158.24	9,063,406.45	22.08%	55,132,000.75	10,204,747.29	18.51%	64,128,128.73	12,154,968.71	18.95%	North Carolina
South Carolina	23,362,792.39	4,328,061.54	18.52%	27,197,263.11	7,813,085.14	28.72%	33,155,022.42	8,694,443.24	26.22%	40,416,405.62	8,435,661.11	20.87%	48,411,422.69	10,406,853.24	21.50%	South Carolina
Georgia	50,583,524.00	11,567,451.46	22.87%	61,241,918.00	18,287,988.90	29.86%	64,398,401.26	19,916,464.71	30.92%	83,844,480.88	19,600,730.67	23.37%	95,354,407.05	23,068,760.59	24.19%	Georgia
Florida	17,064,029.00	3,457,385.93	20.26%	19,832,218.00	5,315,433.06	27.81%	21,817,946.37	6,199,182.82	28.41%	23,746,781.00	6,032,611.87	25.40%	27,228,651.01	6,563,291.86	24.10%	Florida
GROUP IV, TOTAL	\$178,851,111.86	\$33,554,206.13	18.76%	\$220,726,668.80	\$32,338,302.05	23.71%	\$252,188,870.02	\$58,691,302.16	23.26%	\$314,444,122.94	\$59,561,866.27	18.94%	\$359,514,078.06	\$70,122,635.10	19.50%	Group IV, Total
Gulf and Mississippi Valley:																Gulf and Mississippi Valley:
Alabama	\$33,828,303.97	\$6,749,528.43	19.95%	\$37,740,171.00	\$10,690,040.65	28.32%	\$41,687,086.70	\$12,399,981.75	29.74%	\$47,780,449.80	\$12,050,088.29	25.22%	\$54,224,673.98	\$13,771,711.01	25.40%	Alabama
Mississippi	26,178,210.40	5,045,701.28	19.12%	28,529,437.00	7,832,228.75	28.56%	29,691,141.30	7,922,228.75	26.53%	34,610,722.19	7,583,229.93	21.59%	38,612,722.19	9,023,314.70	23.35%	Mississippi
Tennessee	8,443,000.75	1,676,770.89	19.37%	10,241,315.71	12,641,500.96	24.19%	10,621,372.39	13,409,155.99	23.38%	11,789,126.74	14,249,607.81	20.87%	12,782,225.35	16,098,106.55	20.72%	Tennessee
Kentucky	50,307,917.33	8,787,841.72	17.45%	58,061,625.45	11,110,307.35	19.13%	64,293,936.71	12,094,161.38	18.81%	74,884,546.74	13,398,150.50	15.22%	82,676,199.55	12,925,628.50	15.63%	Kentucky
Louisiana	41,552,998.00	7,836,180.42	18.85%	45,592,927.00	11,382,315.31	24.75%	51,321,167.37	11,311,407.89	22.04%	56,574,990.00	10,799,603.23	19.09%	63,650,485.96	12,090,300.23	18.99%	Louisiana
GROUP V, TOTAL	\$192,595,317.48	\$36,813,875.32	19.11%	\$220,382,775.16	\$52,882,622.02	23.99%	\$245,865,705.84	\$57,802,644.85	23.51%	\$281,598,932.71	\$55,641,232.69	19.76%	\$316,873,057.98	\$63,908,857.39	20.17%	Group V, Total

REDUCTION

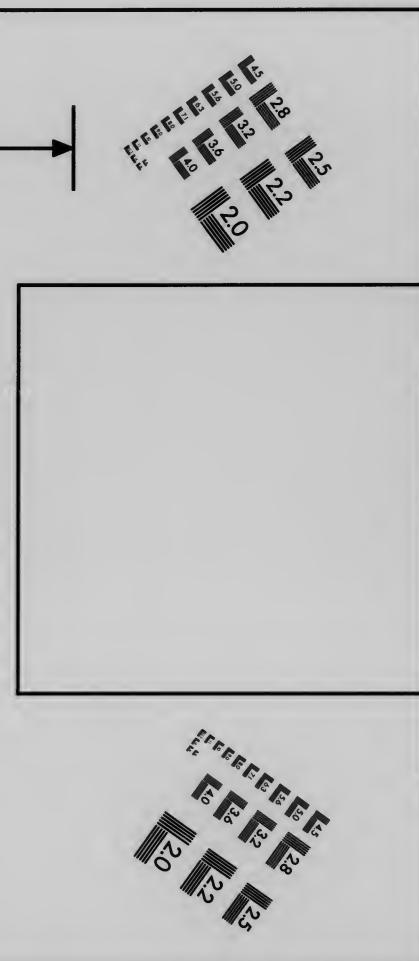
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1.5 mm

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PM-MGP 13" x 18" METRIC GENERAL PURPOSE TARGET PHOTOGRAPHIC



200 mm

150 mm

100 mm

1.0

1.1

1.25

1.4

1.6

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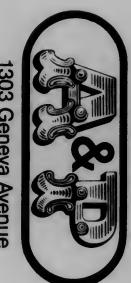
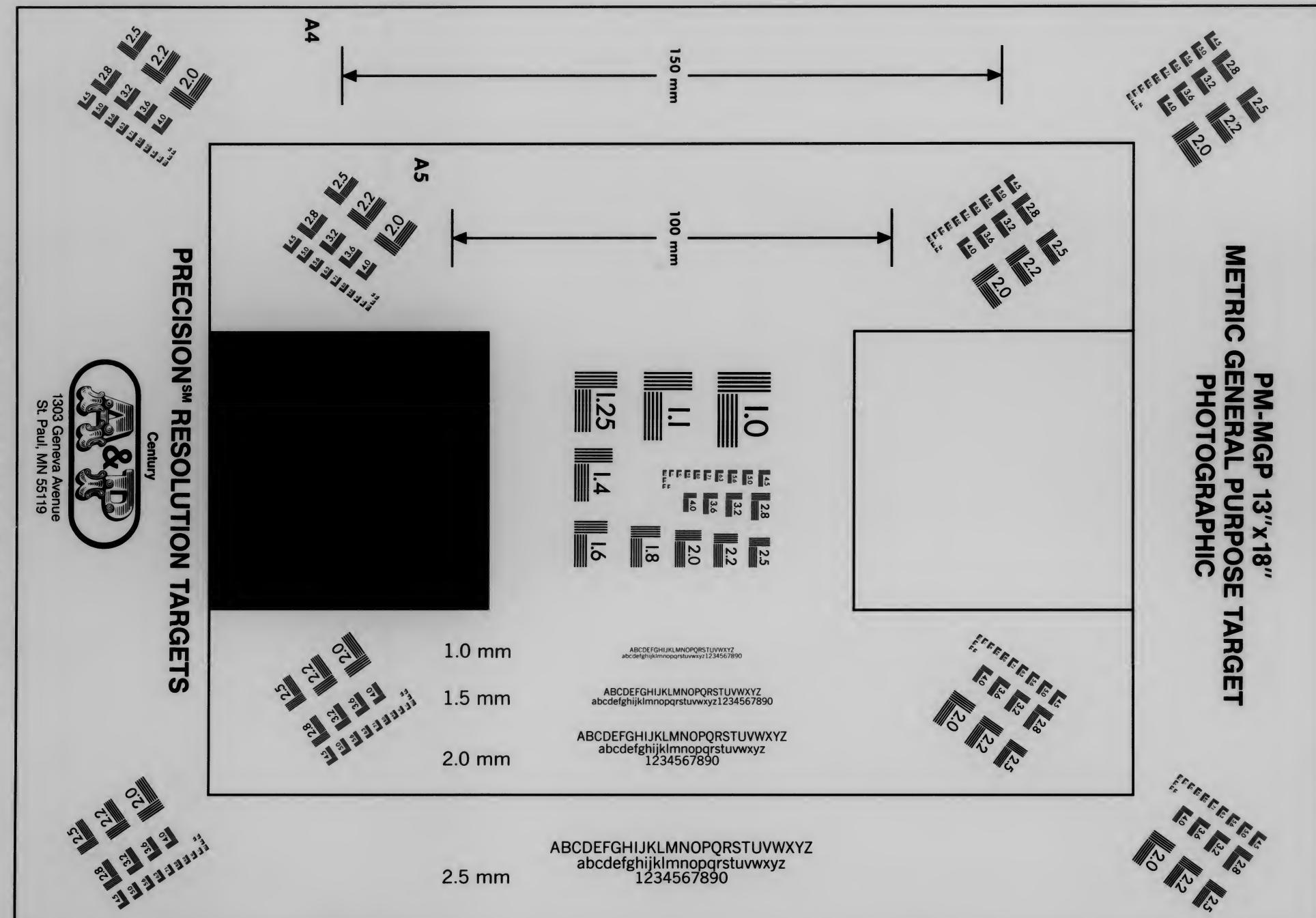
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Century

1303 Geneva Avenue

St. Paul, MN 55119

PRECISION™ RESOLUTION TARGETS

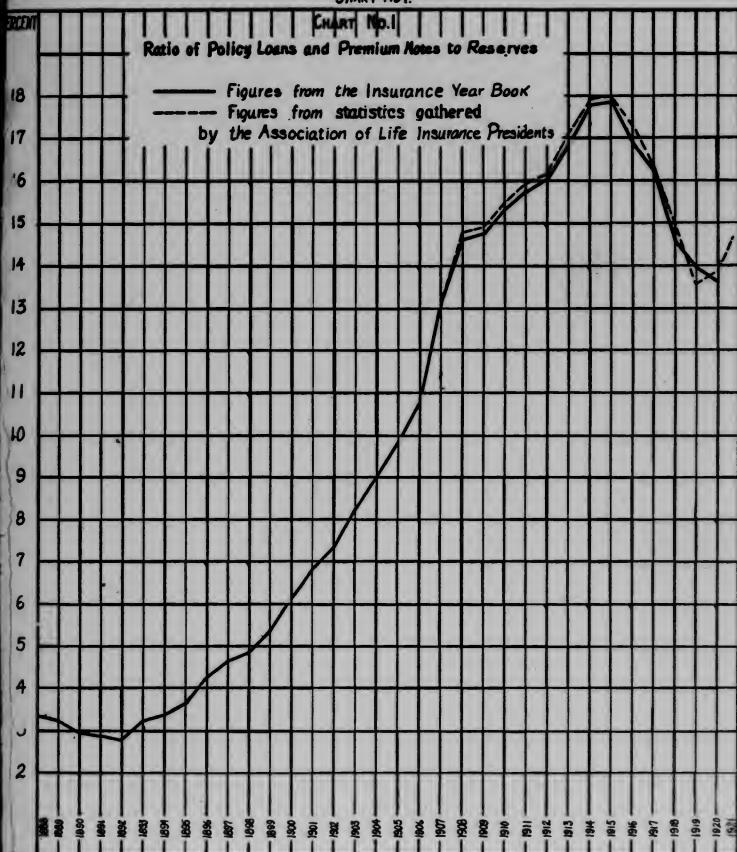
TABLE II
COMPARISON OF POLICY LOANS AND PREMIUM NOTES WITH TOTAL POLICY RESERVES FOR THE YEARS 1911, 1914, 1919, 1920 AND SEPT. 30, 1921

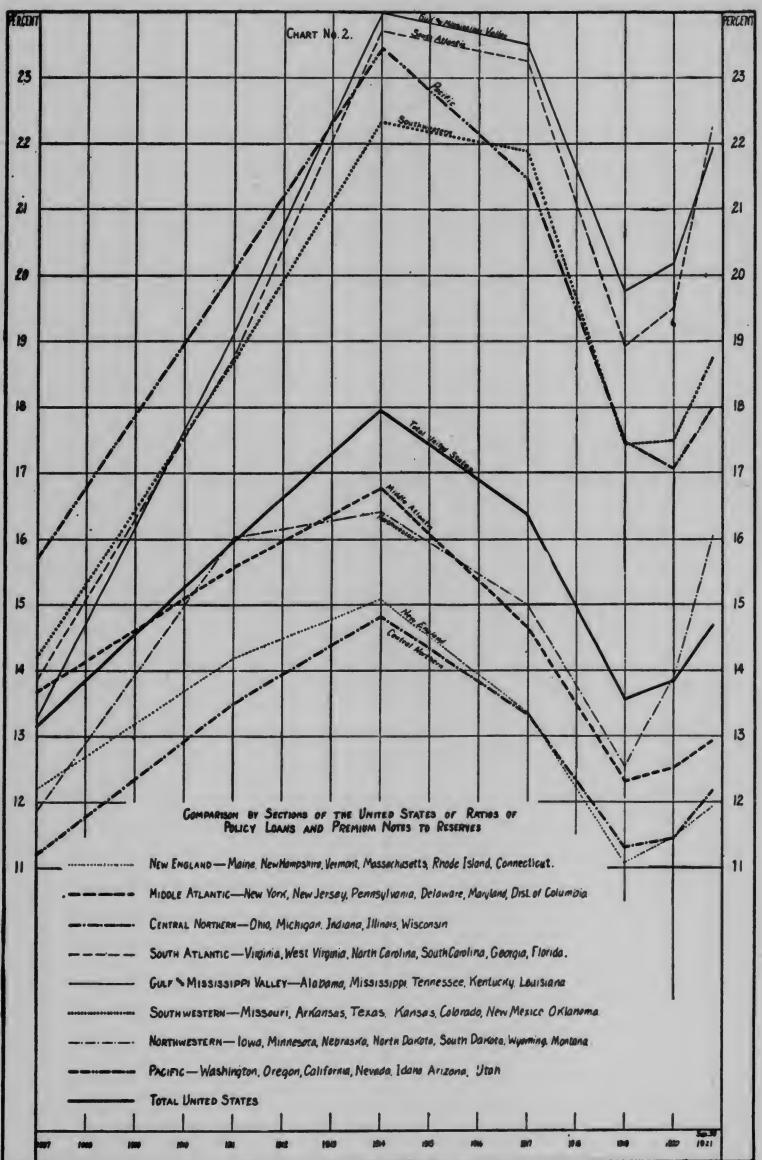
STATES	DEC. 31, 1911			DEC. 31, 1914			DEC. 31, 1917			DEC. 31, 1919			DEC. 31, 1920			
	TOTAL RESERVES	POLICY LOANS AND PREMIUM NOTES	RATIO OF LOANS AND NOTES TO RESERVES	TOTAL RESERVES	POLICY LOANS AND PREMIUM NOTES	RATIO OF LOANS AND NOTES TO RESERVES	TOTAL RESERVES	POLICY LOANS AND PREMIUM NOTES	RATIO OF LOANS AND NOTES TO RESERVES	TOTAL RESERVES	POLICY LOANS AND PREMIUM NOTES	RATIO OF LOANS AND NOTES TO RESERVES	TOTAL RESERVES	POLICY LOANS AND PREMIUM NOTES	RATIO OF LOANS AND NOTES TO RESERVES	TOTAL RESERVES
New England:																
Maine	\$23,427,489.97	\$2,854,397.68	12.18%	\$27,790,443.43	\$3,589,653.82	12.91%	\$32,830,398.10	\$4,012,283.46	12.22%	\$39,268,268.13	\$4,404,850.38	11.21%	\$42,163,283.90	\$4,563,690.19	10.82%	\$40,439,236.26
New Hampshire	14,038,361.39	1,676,770.89	11.94%	16,905,985.61	2,004,073.61	11.85%	19,996,891.30	2,130,470.21	10.65%	23,454,098.11	2,274,741.98	9.70%	24,518,138.58	2,337,502.95	9.53%	25,219,747.27
Vermont	15,340,712.91	2,100,877.99	13.69%	17,495,179.16	2,429,331.94	13.88%	18,772,781.06	2,534,370.66	13.50%	20,859,154.52	2,557,243.84	12.25%	22,136,499.97	2,692,746.99	12.16%	22,776,177.74
Massachusetts	167,059,196.80	25,515,944.15	15.27%	196,124,483.90	31,338,716.0	15.99%	233,106,312.94	33,360,876.91	14.30%	301,168,711.00	35,035,321.39	11.63%	324,490,290.80	39,207,497.07	12.08%	341,867,177.75
Rhode Island	22,208,692.76	2,721,534.43	12.25%	25,774,807.25	3,684,797.32	14.29%	31,919,367.48	3,991,964.42	12.50%	43,232,222.05	4,325,081.13	10.00%	47,210,687.39	4,800,181.59	10.17%	49,972,195.05
Connecticut	48,693,870.00	6,389,611.29	13.12%	58,264,768.07	8,587,571.65	14.74%	74,440,858.61	8,960,304.09	12.03%	92,953,961.92	9,066,993.06	9.75%	102,498,682.13	10,879,489.52	10.61%	107,516,494.04
GROUP I, TOTAL	\$290,768,323.83	\$41,259,136.43	14.19%	\$342,355,667.42	\$51,634,143.94	15.08%	\$411,100,609.49	\$54,990,180.75	13.37%	\$520,936,415.73	\$57,664,232.20	11.07%	\$563,017,582.77	\$64,480,658.31	11.45%	\$584,950,191.25
Middle Atlantic:																
New York	\$522,648,080.24	\$87,464,555.81	16.73%	\$614,580,716.47	\$109,863,839.47	17.87%	\$761,527,473.48	\$117,794,966.34	15.46%	\$941,468,700.96	\$120,406,555.22	12.79%	\$1,042,617,869.29	\$136,010,897.11	13.05%	\$1,096,765.26
New Jersey	114,202,307.92	14,018,679.50	12.27%	140,241,326.93	19,310,836.70	13.76%	178,744,572.98	22,322,727.34	12.48%	218,014,237.60	23,390,361.40	10.73%	240,945,080.79	25,524,132.24	10.59%	256,279.27
Pennsylvania	318,844,387.55	48,946,258.85	15.35%	365,057,097.08	60,040,810.41	16.44%	432,771,903.72	61,708,381.04	14.25%	504,206,865.37	61,640,364.23	12.22%	554,346,783.93	67,836,070.41	12.24%	577,347.57
Delaware	7,099,511.36	890,563.65	12.54%	8,236,469.43	11,176,268.96	14.28%	10,585,669.23	13,595,525.67	15.07%	13,952,763.18	14,909,070.06	13.68%	15,264,301.36	18,355,406.11	12.02%	16,348.54
Maryland	49,021,983.12	6,583,725.07	13.43%	58,141,690.20	8,542,127.75	14.69%	72,208,155.86	9,692,642.57	13.42%	85,897,930.54	9,613,122.92	11.19%	93,140,747.27	10,937,818.42	11.74%	96,937.04
Dist. of Columbia	22,649,927.63	3,157,711.70	13.94%	26,293,548.49	4,427,445.32	16.83%	30,511,677.51	5,070,136.00	16.61%	35,334,427.08	5,393,094.11	15.26%	38,181,093.32	6,042,167.60	15.82%	39,294.31
GROUP II, TOTAL	\$1,034,466,647.82	\$161,061,494.58	15.57%	\$1,212,550,848.60	\$203,361,328.61	16.77%	\$1,486,349,452.78	\$218,184,378.96	14.67%	\$1,798,874,924.73	\$222,352,567.94	12.33%	\$1,984,495,872.96	\$248,186,491.89	12.51%	\$2,078,942.27
Central Northern:																
Ohio	\$167,074,894.99	\$21,513,759.08	12.87%	\$197,266,518.72	\$26,497,196.36	13.43%	\$247,033,821.42	\$28,801,086.82	11.65%	\$312,799,152.31	\$31,348,922.90	10.02%	\$349,902,450.40	\$36,198,202.66	10.35%	\$361,194,869.26
Michigan	69,477,478.81	10,022,288.14	14.42%	87,708,877.46	13,318,806.55	15.18%	107,686,121.50	14,641,732.39	13.59%	133,307,502.94	15,303,619.85	11.48%	154,032,611.55	17,357,826.68	11.27%	157,445.74
Indiana	61,018,570.56	7,712,118.39	12.64%	71,988,877.28	9,960,691.84	13.83%	87,005,278.59	11,816,137.64	13.58%	108,482,372.39	11,679,507.14	10.77%	127,298,565.15	14,249,607.18	11.18%	129,447.74
Illinois	228,577,330.67	31,977,225.40	13.99%	274,551,855.70	44,490,897.01	16.20%	325,536,661.59	48,102,364.60	14.77%	398,813,356.69	50,612,147.74	12.69%	437,333,374.79	56,049,812.39	12.82%	447,727.57
Wisconsin	60,558,258.64	7,969,377.67	13.16%	73,545,247.18	10,283,502.60	13.98%	87,596,319.16	10,756,956.79	12.28%	99,713,255.37	10,208,229.75	10.16%	111,249,260.95	11,107,332.61	9.98%	114,247.54
GROUP III, TOTAL	\$586,706,553.67	\$79,194,768.68	13.49%	\$705,061,376.34	\$104,551,094.36	14.83%	\$854,862,202.25	\$114,118,278.24	13.35%	\$1,053,115,639.70	\$119,072,427.42	11.31%	\$1,179,816,262.84	\$134,962,781.52	11.44%	\$1,215,182,396.21
South Atlantic:																
Virginia	\$41,464,534.71	\$6,768,228.44	16.32%	\$51,224,960.26	\$9,406,909.73	18.36%	\$59,141,128.83	\$10,630,242.12	17.97%	\$69,903,717.74	\$10,677,653.65	15.27%	\$76,948,416.62	\$12,772,180.57	16.60%	\$84,886,521.21
West Virginia	20,058,394.46	2,498,309.05	12.45%	26,179,744.35	3,484,049.18	13.31%	32,660,333.08	4,187,562.82	12.82%	41,400,736.95	4,610,461.68	11.13%	47,443,051.96	5,156,580.13	10.87%	49,360,772.27
North Carolina	26,317,837.50	4,946,570.04	18.75%	35,050,557.16	7,830,836.04	22.34%	41,046,358.24	9,063,406.45	22.08%	55,132,000.75	10,204,747.29	18.51%	64,128,128.73	12,154,968.71	18.95%	65,145.74
South Carolina	23,362,792.39	4,328,061.24	18.52%	27,197,263.11	7,813,085.14	28.72%	33,155,002.24	8,694,443.24	26.22%	40,416,405.62	8,435,661.11	20.87%	48,411,422.69	10,406,853.24	21.50%	50,612,232.54
Georgia	50,583,524.00	11,567,651.46	22.87%	61,241,918.00	18,287,988.00	29.86%	64,398,401.26	19,916,646.71	30.93%	83,844,480.88	19,600,730.67	23.37%	95,354,407.05	23,068,760.59	24.19%	96,647.54
Florida	17,064,029.00	3,457,385.90	20.26%	19,832,218.00	5,515,433.06	27.81%	21,817,646.37	6,199,182.82	28.41%	23,746,781.00	6,032,611.87	25.40%	27,228,651.01	6,563,291.86	24.10%	27,933.27
GROUP IV, TOTAL	\$178,851,111.86	\$33,554,206.13	18.76%	\$220,726,660.88	\$52,338,302.05	23.71%	\$252,218,870.02	\$58,691,302.16	23.26%	\$314,444,122.94	\$59,561,866.27	18.94%	\$359,514,078.06	\$70,122,635.10	19.50%	\$351,863,279.26
Gulf and Mississippi Valley:																
Alabama	\$33,828,303.97	\$6,749,528.43	19.95%	\$37,740,171.00	\$10,690,040.65	28.32%	\$41,687,086.70	\$12,399,981.75	29.74%	\$47,780,449.80	\$12,050,088.29	25.22%	\$54,224,673.98	\$13,771,751.01	25.49%	\$54,924,717.41
Mississippi	26,178,210.40	5,005,701.20	19.12%	28,329,736.00	7,530,457.75	26.58%	29,890,341.39	7,922,220.84	25.53%	34,630,779.00	7,585,389.93	21.90%	38,639,472.14	9,023,314.70	23.35%	38,781,462.27
Tennessee	40,727,887.78	8,434,623														

TABLE II
COMPARISON OF POLICY LOANS AND PREMIUM NOTES WITH TOTAL POLICY RESERVES FOR THE YEARS 1911, 1914, 1919, 1920 AND SEPT. 30, 1921

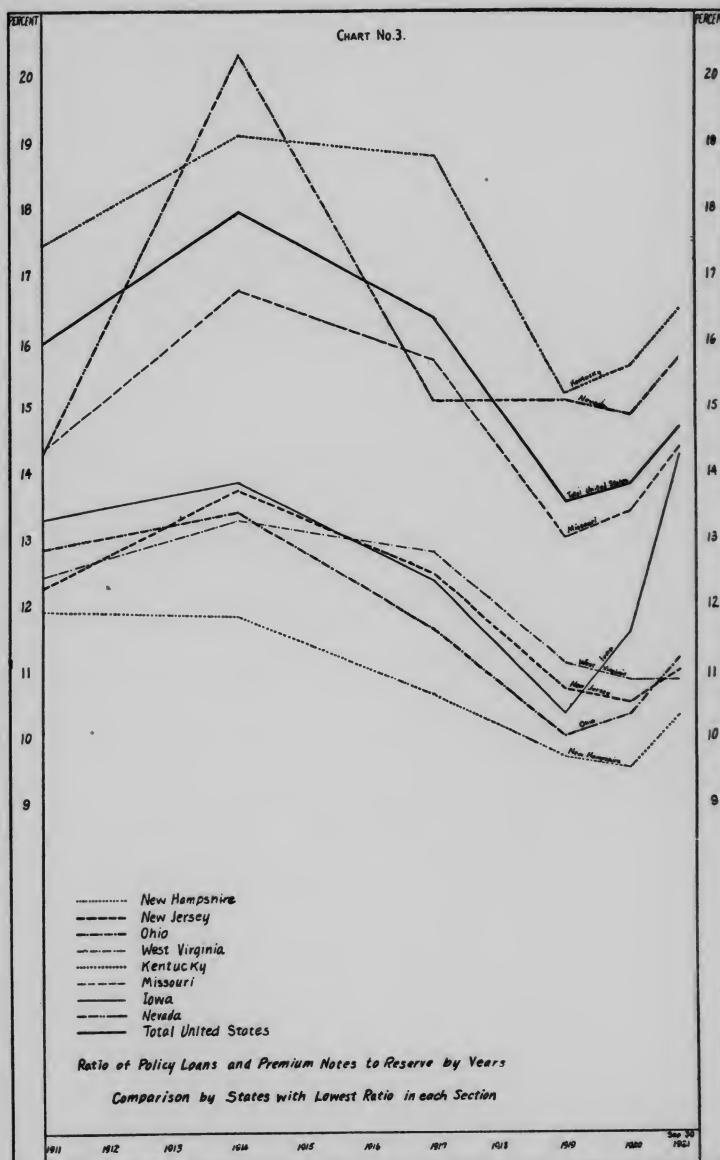
31, 1911		DEC. 31, 1914			DEC. 31, 1917			DEC. 31, 1919			DEC. 31, 1920			SEPT. 30, 1921			
POLICY LOANS AND PREMIUM NOTES	RATIO OF LOANS AND NOTES TO RESERVES	TOTAL RESERVES	POLICY LOANS AND PREMIUM NOTES	RATIO OF LOANS AND NOTES TO RESERVES	TOTAL RESERVES	POLICY LOANS AND PREMIUM NOTES	RATIO OF LOANS AND NOTES TO RESERVES	TOTAL RESERVES	POLICY LOANS AND PREMIUM NOTES	RATIO OF LOANS AND NOTES TO RESERVES	TOTAL RESERVES	POLICY LOANS AND PREMIUM NOTES	RATIO OF LOANS AND NOTES TO RESERVES	TOTAL RESERVES	POLICY LOANS AND PREMIUM NOTES	RATIO OF LOANS AND NOTES TO RESERVES	STATES
2,854,397.68	12.18%	\$27,790,443.43	\$3,589,653.82	12.91%	\$32,830,398.10	\$4,012,283.46	12.22%	\$39,268,268.13	\$4,404,850.38	11.21%	\$42,163,283.90	\$4,563,690.19	10.82%	\$40,439,036.58	\$4,276,230.67	10.57%	New England:
1,676,770.89	11.94%	19,905,985.61	2,004,733.61	11.85%	15,996,891.30	2,130,470.21	10.65%	23,454,098.11	2,274,741.98	9.70%	24,518,138.58	2,337,052.95	9.53%	25,249,791.09	2,609,578.61	10.33%	Maine
2,100,872.77	13.69%	17,495,179.16	2,429,311.94	13.85%	18,772,177.06	2,554,370.23	13.50%	20,859,545.32	2,577,243.84	12.25%	22,696,984.00	2,692,746.99	12.16%	28,155,655.63	2,815,655.63	12.40%	New Hampshire
5,515,944.15	15.27%	196,124,483.90	31,338,151.60	15.99%	233,440,312.94	33,360,787.91	14.30%	301,168,711.04	35,035,321.81	11.63%	324,490,290.80	39,207,497.07	12.08%	341,071,775.53	43,136,348.13	12.65%	Vermont
2,721,534.43	12.25%	25,774,807.25	3,684,797.32	14.29%	31,919,367.48	3,991,964.42	12.50%	43,232,222.05	4,325,081.13	10.00%	47,210,687.39	4,800,181.59	10.17%	49,952,692.21	5,240,021.21	10.49%	Massachusetts
6,389,611.29	13.12%	58,264,768.07	8,587,571.65	14.74%	74,440,858.61	8,960,993.06	12.03%	92,953,961.92	9,066,993.06	9.75%	102,498,682.13	10,879,489.52	10.61%	107,543,568.25	11,954,713.88	11.12%	Rhode Island
1,259,136.43	14.19%	\$342,355,667.42	\$51,634,143.94	15.08%	\$411,100,609.49	\$54,990,180.75	13.37%	\$520,936,415.73	\$57,664,232.20	11.07%	\$563,017,582.77	\$64,480,658.31	11.45%	\$586,953,850.50	\$70,032,548.13	11.93%	Connecticut
1,061,494.58	15.57%	\$1,212,550,848.60	\$203,361,328.61	16.77%	\$1,486,349,452.78	\$218,184,378.96	14.67%	\$1,798,874,924.73	\$222,352,567.94	12.33%	\$1,984,495,872.96	\$248,186,491.89	12.51%	\$2,078,942,290.20	\$268,739,333.74	12.93%	Group I, Total
7,464,555.81	16.73%	\$61,458,071.47	\$109,862,839.47	17.87%	\$76,527,473.48	\$117,794,966.34	15.40%	\$941,468,700.96	\$120,406,555.22	12.79%	\$1,042,617,869.29	\$136,010,897.11	13.05%	\$1,096,763,016.94	\$149,287,402.57	13.61%	Middle Atlantic:
4,018,679.50	12.27%	140,241,326.93	19,310,863.70	13.76%	179,744,572.98	22,322,727.34	12.48%	218,114,231.60	23,390,361.40	10.73%	240,945,080.79	25,524,132.24	10.59%	256,048,886.35	28,211,365.92	11.02%	New York
8,946,258.85	15.35%	365,057,097.08	60,040,810.41	16.44%	432,771,903.72	61,708,381.04	14.25%	504,206,865.37	61,640,364.23	12.22%	554,346,783.93	67,836,070.41	12.24%	573,700,392.59	70,949,904.45	12.37%	Pennsylvania
6,583,725.07	12.54%	8,236,469.43	1,176,268.96	14.28%	10,585,669.23	1,595,525.67	15.07%	13,952,763.18	1,909,070.06	13.68%	15,264,301.36	1,835,406.11	12.02%	16,309,286.44	2,032,773.58	12.46%	Delaware
3,157,711.70	13.43%	58,141,690.20	8,542,127.75	14.69%	72,208,155.86	9,692,642.57	13.42%	85,897,930.54	9,613,122.92	11.19%	93,140,744.27	10,937,818.42	11.74%	96,857,389.60	12,165,157.62	12.56%	Maryland
7,969,377.67	13.94%	26,293,548.49	4,427,445.32	16.83%	30,511,677.51	5,070,136.00	16.61%	35,334,427.08	5,393,094.11	15.26%	38,181,093.32	6,042,167.60	15.82%	39,263,318.28	6,092,729.60	15.52%	Dist. of Columbia
9,194,768.68	15.57%	\$1,212,550,848.60	\$203,361,328.61	16.77%	\$1,486,349,452.78	\$218,184,378.96	14.67%	\$1,798,874,924.73	\$222,352,567.94	12.33%	\$1,984,495,872.96	\$248,186,491.89	12.51%	\$2,078,942,290.20	\$268,739,333.74	12.93%	Group II, Total
1,513,759.08	12.87%	\$197,266,518.72	\$26,497,196.36	13.43%	\$247,033,821.42	\$28,801,086.82	11.65%	\$312,799,152.31	\$31,348,922.90	10.02%	\$349,902,450.40	\$36,198,202.66	10.35%	\$364,016,982.62	\$40,783,799.27	11.20%	Central Northern:
0,022,288.14	14.42%	87,708,877.46	13,318,806.55	15.18%	107,686,121.50	14,641,732.39	13.59%	133,307,502.94	15,303,619.85	11.48%	154,032,611.55	17,357,826.68	11.27%	157,416,613.33	19,478,653.14	12.37%	Ohio
7,712,118.39	12.64%	71,988,877.28	9,960,691.84	13.83%	87,006,278.58	11,816,137.64	13.58%	108,482,372.39	11,679,507.14	10.77%	127,298,565.15	14,249,607.18	11.18%	129,493,768.29	14,955,787.81	11.55%	Michigan
1,977,225.40	13.99%	274,551,855.70	44,490,897.01	16.20%	325,539,661.59	48,102,364.60	14.77%	398,813,356.69	50,612,147.74	12.69%	437,333,374.79	56,049,812.39	12.82%	447,737,577.94	60,731,015.42	13.56%	Indiana
7,969,377.67	13.16%	73,545,247.18	10,283,502.60	13.98%	87,596,319.16	10,756,957.95	12.28%	99,713,255.37	10,128,229.79	10.16%	111,249,260.95	11,107,332.61	9.98%	116,397,418.02	12,013,563.25	10.32%	Illinois
9,194,768.68	13.49%	\$705,061,376.34	\$104,551,094.36	14.83%	\$854,862,202.25	\$114,118,278.24	13.35%	\$1,053,115,639.70	\$119,072,427.42	11.31%	\$1,179,816,262.84	\$134,962,781.52	11.44%	\$1,215,062,360.20	\$147,964,818.89	12.18%	Wisconsin
5,768,228.44	16.32%	\$51,224,960.26	\$9,406,909.73	18.36%	\$59,141,128.83	\$10,630,242.12	17.97%	\$69,903,717.74	\$10,677,653.65	15.27%	\$76,948,416.62	\$12,772,180.57	16.60%	\$68,805,521.26	\$12,743,654.14	18.52%	South Atlantic:
2,498,309.05	12.45%	26,179,744.35	3,484,049.18	13.31%	32,660,333.08	4,187,562.82	12.82%	41,400,736.95	4,610,461.68	11.13%	47,443,051.96	5,156,580.13	10.87%	49,366,772.41	5,358,801.54	10.86%	Virginia
9,345,570.04	18.75%	35,050,557.16	7,830,836.04	22.34%	41,046,358.24	9,063,406.45	20.08%	55,132,000.75	10,204,742.29	18.51%	64,128,187.73	12,154,968.71	18.95%	55,108,251.94	12,354,164.18	22.42%	West Virginia
4,328,061.24	18.52%	27,197,263.11	7,813,085.14	28.72%	33,155,002.24	8,694,443.24	26.22%	40,416,405.62	8,435,661.11	20.87%	48,411,422.69	10,406,853.24	21.50%	40,542,357.50	11,055,815.95	27.27%	North Carolina
5,667,651.46	22.87%	61,241,918.00	18,288,988.90	29.86%	64,398,401.26	19,916,464.71	30.93%	83,844,480.88	19,600,730.67	23.37%	95,354,407.05	23,068,760.59	24.19%	92,647,244.66	26,205,959.38	28.29%	Georgia
8,457,385.90	20.26%	19,832,218.00	5,515,433.06	27.81%	21,817,646.37	6,199,182.82	28.41%	23,746,781.00	6,032,611.87	25.40%	27,228,651.01	6,563,291.86	24.10%	27,933,227.90	6,826,587.32	24.44%	Florida
3,554,206.13	18.76%	\$220,726,660.88	\$52,338,302.05	23.71%	\$252,218,870.02	\$58,691,302.16	23.26%	\$314,444,122.94	\$59,561,866.27	18.94%	\$359,514,078.06	\$70,122,635.10	19.50%	\$334,403,375.67	\$74,544,964.51	22.29%	Group IV, Total
7,749,528.43	19.95%	\$37,740,171.00	\$10,690,040.65	28.32%</td													

CHART No.1.





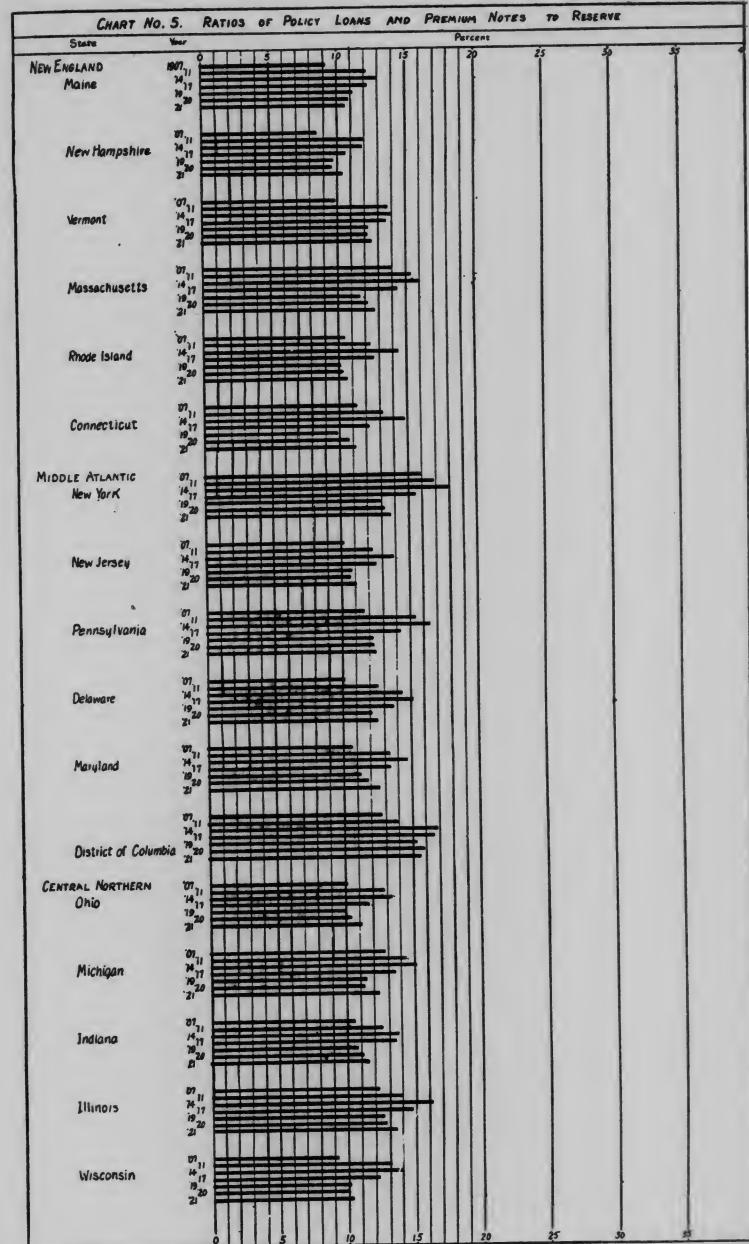
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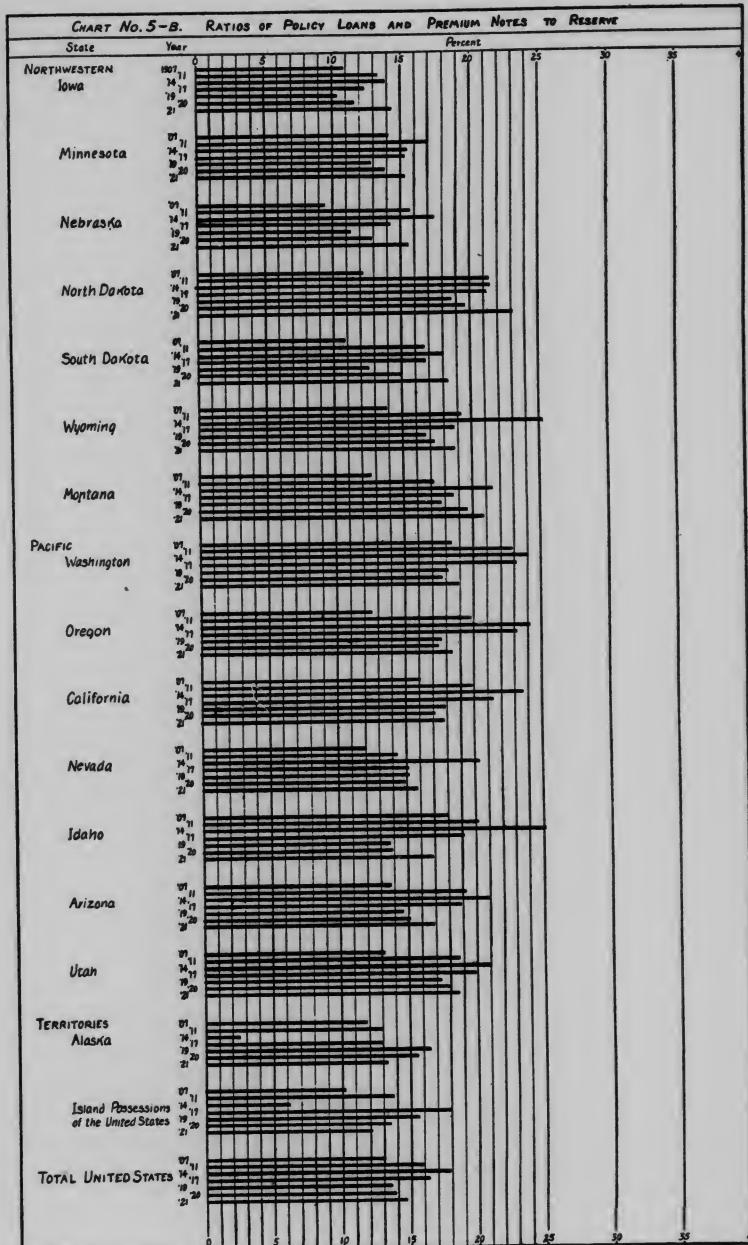
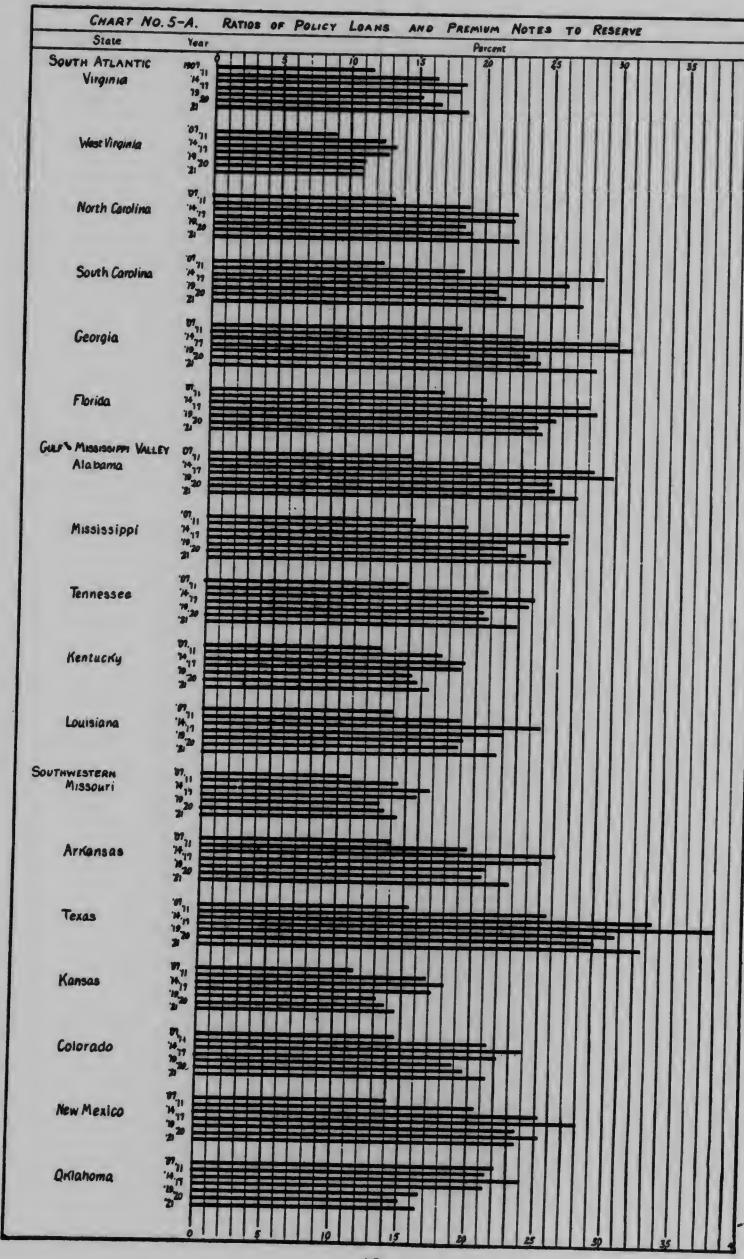
39

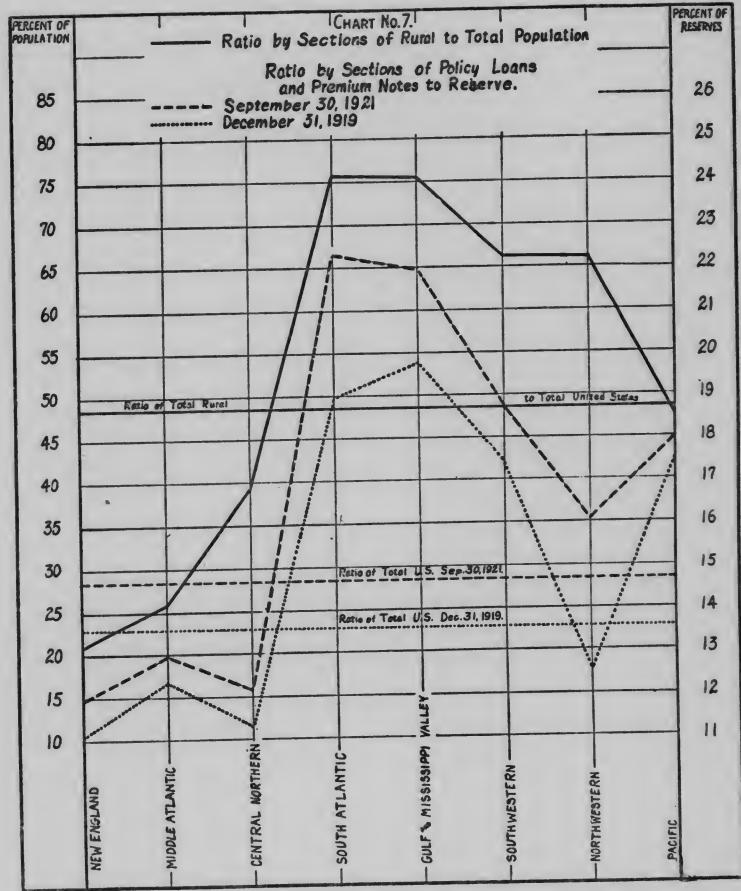
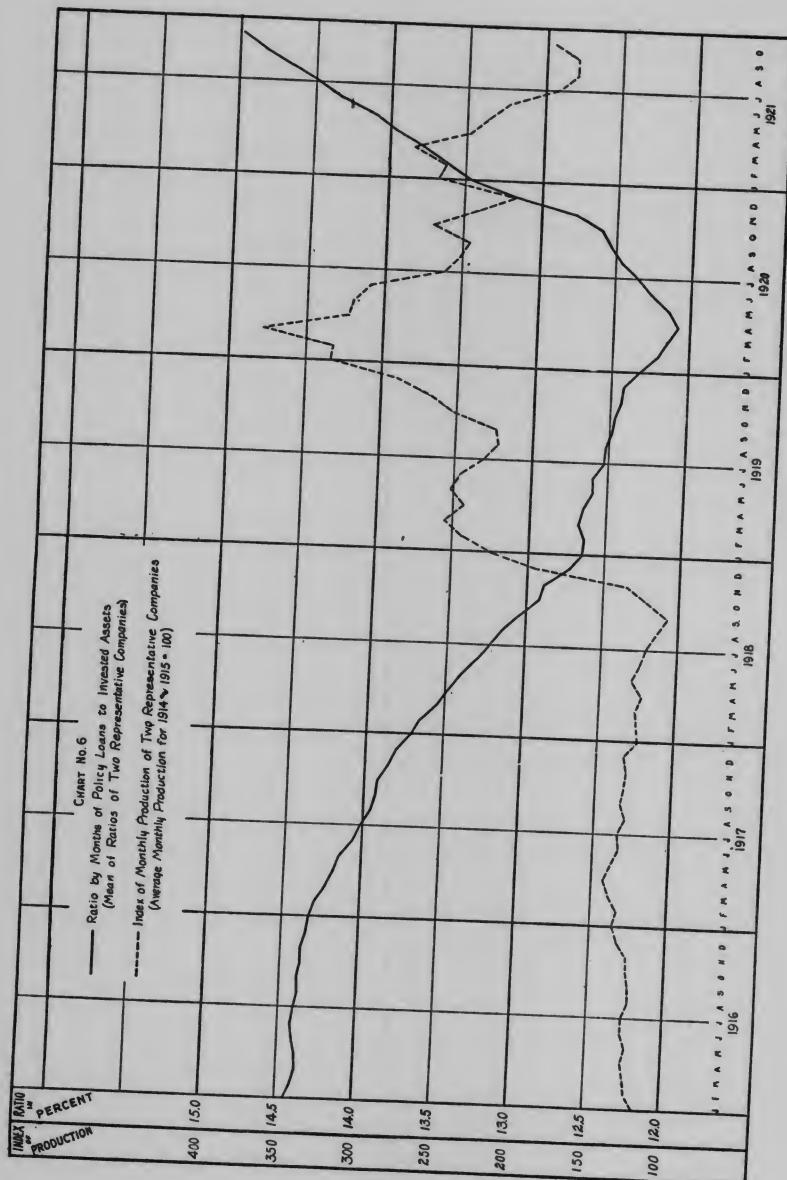


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41





Percentages of population apply to unbroken line indicating ratio of total Rural to total United States population and to unbroken curve indicating by sections in the United States Rural to total population. — apply to broken lines indicating ratio of total policy loans and

Percentages of reserves apply to broken lines indicating ratio of total policy loans and premium notes to total reserves in the United States on December 31, 1919, and September 30, 1921, and to the broken curves indicating ratios of policy loans and premium notes to reserves by sections in the United States on these two dates.

A DECADE OF LIFE INSURANCE INVESTMENTS

By ASA S. WING

*President, Provident Life & Trust Co.,
Philadelphia, Pa.*

SIX BILLION EIGHT HUNDRED AND THIRTY-TWO MILLION SEVEN HUNDRED AND TWENTY-FOUR THOUSAND FIVE HUNDRED AND SIXTY DOLLARS AND SIX CENTS! Does the mention of these figures in words convey any idea to the mind of anyone? If I say that this was the amount of admitted assets held at the close of 1920 in trust for their policyholders by forty-seven (47) American Life Insurance Companies, does that clarify the meaning of the words—SIX BILLION EIGHT HUNDRED AND THIRTY-TWO MILLION SEVEN HUNDRED AND TWENTY-FOUR THOUSAND FIVE HUNDRED AND SIXTY DOLLARS AND SIX CENTS?

John Morley, in his life of Gladstone, referring to the great Prime Minister's budget speeches, says he "made thousands eager to follow the public balance-sheet, and the whole nation became his audience, interested in him and his themes"—and tells how "One recorder who had listened to all the financiers from Peel downwards, said that Peel's statements were ingenious and able but dry; Disraeli was clever but out of his element; Wood was like a cart without springs on a heavy road; Gladstone was the only man who could lead his hearers over the arid desert, and yet keep them cheerful and lively and interested without flagging."

What would I gladly give today for a tithe of Gladstone's ability in my effort to present the financial facts placed at my disposal in such a way as to make them mean much more than a great mass of figures.

There were two hundred and seventy-two (272) American Life Insurance Companies reported as doing business at the end of 1920 holding admitted assets amounting to \$7,319,997,019.

These forty-seven (47) companies therefore represent 93.34 per cent. of the total assets of all the American Life Insurance Companies. If inquiry be raised as to why this address deals with 93.34 per cent. of the assets, instead of the total, the answer is that the standard compilations of life insurance assets do not disclose their geographical distribution. Therefore, the companies were requested, for this occasion, to supply their investment figures subdivided by states and, as indicated by the percentage, those representing a large proportion of the business were able to do this. I here record my thanks to them for this painstaking service for the institution as a whole.

I present with this paper Table I showing in detail the proportionate amounts of these assets invested in Real Estate Mortgage Loans; Railroad Bonds and Stocks; Other Bonds and Stocks; United States Loans; State, County and Municipal Loans in the United States; Government Bonds in Other Countries; Premium Notes, Loans or Advances to Policyholders; and Other Assets. (Tables follow page 61.)

For the purposes of comparison, and in order to show the increases in the totals during the nine years since 1911, and the changes as to kinds of investments, these particulars are given in the tables for the end of 1911, 1914, 1917 and 1919, as well as for December 31, 1920.

I present also Table II showing the sectional distribution of these assets, with ratio of assets invested in each section to the reserves or liability on the outstanding insurance on lives of policyholders resident in that section. This table also gives the facts as shown at the end of the years 1911, 1914, 1917, 1919 and 1920, and enables us to trace the tendency of change in the distribution of life insurance assets in this country, both as to the character of the investments made and as to the sections where the funds are invested.

I appreciate how lacking in interest numbers are in any address, and will, therefore, in asking your consideration of some of the significant facts evidenced by these tables, try to limit my mention of amounts to billions and millions, rather than burden you with the exact sums carried out to the last cent. Anyone who wants a more exact statement may readily find it in the tables.

First, let me call your attention to the marvelous increase in the funds invested for life insurance since 1911. At the end of

that year the amount was three billions eight hundred and eighty-one millions. Nine years later it is six billions eight hundred and thirty-two millions. That is, during the one hundred and fifty-two years since the first company was organized for insuring lives in this country, all the American companies accumulated assets amounted to a little over four billion dollars up to the close of 1911. In the nine years since then, there has been added three billion dollars to that sum.

This great increase in the life insurance investments during the nine years has been distributed as to class of security as follows:

INCREASED INVESTMENTS

Class of Security	Amount	Per Cent. of Total
Mortgage loans	\$978,300,000	33.15
U. S. Government bonds.....	771,900,000	26.15
Policy loans	314,500,000	10.66
State, county and municipal bonds (including government bonds of foreign governments).....	302,400,000	10.24
Inter-state railroad bonds and stocks	309,000,000	10.47
Intra-state bonds and stocks.....	100,900,000	3.42
Collateral loans	18,300,000	.62
Cash	20,800,000	.70
Miscellaneous investments (includ- ing non-ledger assets)	150,800,000	5.11
Total increases	2,966,900,000	100.52

REDUCED INVESTMENTS

Real estate	15,200,000	.51
Other stocks and bonds.....	300,000	.01
Total reductions	15,500,000	.52
Net increase in investments during nine years	2,951,400,000	100.00

I will refer later to the greatness of the whole accumulated fund.

But now may I point out some of the matters of interest most apparent in the tables presented herewith. In this connection I have prepared Charts A and B. (For charts see pp. 57-60.)

In Chart A the vertical distance from the straight base line

to the irregular ascending line at the top represents by scale the comparative total of admitted assets held by the tabulated companies for the years 1911, 1914, 1917, 1919, and 1920 as shown by figures in the tables, and for the intervening years by the connecting lines.

The lines running across the chart separate the different kinds of investments. In Chart B the same separation is shown in percentages of the whole, instead of by proportionate parts of a whole for each year. The first space between the upper line and the line next below it, represents the amounts invested in real estate varying during the years from one hundred and fifty-two millions in 1911 to one hundred and thirty-six millions in 1920, but turning to Chart B we note that the percentage to total assets decreases from nearly 4% to 2%.

The demand for real estate during the period under observation has made unnecessary acquisitions by foreclosure which under other conditions would have been made, and the same cause has enabled life insurance companies to sell advantageously properties previously acquired by foreclosure of mortgages. This largely accounts for reducing the percentage of real estate held to one-half what it was nine years before. There is a warning significance too in the fact that between 1911 and 1919 there was a reduction in real estate held of \$22,459,000, but during 1920 the companies increased their holdings \$7,269,000, or about one-third the amount they disposed of during the previous eight years.

On the Chart A the second space shows the amount of mortgage loans—one billion two hundred and twenty-eight millions at the end of 1911, increasing rapidly until at the end of 1920 the amount is two billions two hundred and six millions, an increase in the nine years of nine hundred and seventy-eight millions, being one-third of the companies' current investment funds for the period.

No other class of investments made from life insurance funds is so great as mortgage loans, and no class has been so largely added to during these years. These loans are about equally divided between farm mortgages and mortgages upon other real estate. At the end of 1920 the farm mortgages amounted to one billion eighty-six millions, and other mortgages to one billion one hundred and twenty millions.

Chart B shows how evenly the percentage of mortgage loans

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Chart B shows how evenly the percentage of mortgage loans

to total assets runs, 31.65% at the end of 1911 and 32.29% at the end of 1920, with but slight variations between.

This percentage has been maintained and the mortgage loans increased by an amount averaging more than one hundred million dollars each year, notwithstanding the diversion of nearly as much money to investment in United States bonds. The life insurance companies have contributed liberally to these two appealing demands for money during the war and since, 60% of the total net increase in investments for the entire period going to these two classes.

If we turn now to investments in railroad bonds and stocks we note a striking change during the period observed. The amount so invested in 1911 was one billion three hundred and eighty-three millions, which was increased by 1920 to one billion seven hundred and ninety-three millions, an increase of only 30%, whereas the increase in the mortgage loans was nearly 80%. The ratio of railroad securities to total assets at the beginning of the period was 35.64%, which was reduced to 26.25% at the end, only 13.90% of all their current investments being in this class of securities during the period.

Other bonds and stocks contribute a comparatively small percentage to the total assets, showing 5.22% in 1911, which was reduced to 2.96% by 1920, and the actual amount so invested was something over two hundred and two millions at both dates, being slightly less at the later date.

A revealing contrast is shown in the holdings of United States bonds during the nine-year period. At the end of 1911, before these bonds were listed as a separate item, the companies held about \$520,000 of them as compared with seven hundred and seventy-two millions at the end of 1920. The appearance of United States bonds as a separate life insurance investment item occurs in the tables beginning with the year 1917, when the amount had increased to nearly sixty-three millions—a little more than 1% of all the assets. Three years later, with the amount increased to seven hundred and seventy-two millions, the percentage is 11.30% of the total assets and 26% of all the companies' current investments during the nine-year period.

Then follow state, county and municipal bonds of the United States and territories amounting to one hundred and fifty-five millions in 1911, increasing each year until 1920, when the

amount is two hundred and eighty-nine millions, an increase of 86%, while in the same time the whole admitted assets increased 76%.

The investments in Government, state, county and municipal bonds outside the limits of the United States increased from eighty-two millions in 1911 to two hundred and fifty-seven millions in 1919, and decreased to two hundred and fifty-one millions a year later. However, they still show an increase of over 200% during the nine years, being the largest percentage of increase in any class of investments, except United States bonds.

Premium notes and policy loans were reported as five hundred and five millions in 1911 and eight hundred and twenty millions in 1920, an increase of 62%. The percentage to total assets has varied with changes in general business conditions, being reported as 13.03% for 1911, 14.90% for 1914, 13.76% for 1917, 11.89% for 1919, and 12% at the end of 1920.

The three remaining items of classification in the table are included as one in the charts. They include collateral loans amounting to less than one-half of one per cent. of the total assets, cash on hand and in banks never reported for the years under consideration so high as 2% of the total, and non-ledger assets comprising approximately 3% of the assets.

In Table II is shown in detail for the years 1911 and 1920 not only in distribution as to kind of all the investments to which I have called attention, but a separation showing this distribution for different localities, and a comparison of the amount invested in each locality with the amount of reserves, or liability on the insurance in force on the lives of residents in each section.

The table shows a distribution among eleven sections as follows:

Section No. 1.—New England States—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.

Section No. 2.—Middle Atlantic States—Delaware, District of Columbia, Maryland, New Jersey, New York, Pennsylvania.

Section No. 3.—Central Northern States—Ohio, Michigan, Indiana, Illinois, Wisconsin.

Section No. 4.—South Atlantic States—Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida.

Section No. 5.—Gulf and Mississippi Valley States—Alabama, Mississippi, Tennessee, Kentucky, Louisiana.

Section No. 6.—Southwestern States—Missouri, Arkansas, Texas, Kansas, Colorado, New Mexico, Oklahoma.

Section No. 7.—Northwestern States—Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Wyoming, Montana.

Section No. 8.—Pacific States—Washington, Oregon, California, Nevada, Idaho, Arizona, Utah.

Section No. 9.—Territories and Possessions—Alaska, Hawaii, Philippines, Porto Rico.

Section No. 10.—Canada.

Section No. 11.—Other foreign countries.

I have prepared Chart C, which illustrates the distribution of assets and reserves as shown by the table. In the chart I have treated Sections 9, 10 and 11 in one division.

The space between the base line and first unbroken line above represents by scale the whole mass of investments at the end of 1911, amounting to nearly four billion dollars, distributed among the sections as indicated by the distance from the base line to the first unbroken line above it, for each section as indicated on the chart by its number. The space between the lower and upper unbroken lines represents the assets added between 1911 and 1920, amounting to about three billion dollars, and the space between the base line and the upper unbroken line represents the nearly seven billion dollars of assets held at the end of 1920. In like manner the spaces between the base line and the broken lines represent the total reserves or liability on policies at the end of 1911 for the lower broken line and at the end of 1920 for the upper broken line. It also shows the distribution of the reserves among the different localities, and the relative amounts of investments to reserves in each locality.

Where the lower continuous line comes to a point above the lower broken line it shows that in that particular locality the investments exceeded the reserves in 1911 by the amount indicated by the space between the two lines on the line ascending vertically from the base line at the number of the section under consideration. In like manner the relative position of the upper broken and continuous lines shows the relation of investments to reserves at the end of 1920.

Possibly this is shown still more clearly in Chart D, where the same relation is indicated by percentage of investments to reserves in each section, the unbroken line marking these percentages for 1911 and the broken line for 1920. From these lines it is clear that in 1911 the investments in each section exceeded reserves except in the New England States—Section No. 1—where the percentage was only 55.92, and the three sections, Nos. 9, 10 and 11, outside the United States, as stated, where the percentage then was 59.17. In 1920 only Sections No. 1, 2 and 3 were below the 100% line, having percentages 50.89, 86.40 and 95.68, respectively.

Further study of the Table II and Chart D shows clearly that the percentages for Sections 1, 2 and 3 have fallen during the nine years, while for Sections 4, 5, 6 and 7 they have increased, throwing the 1920 line above the 1911 line. In the Pacific States, Section 8, the percentage has decreased, but it still leaves the investments in that locality 22.55% more than the reserves. In Sections 9, 10 and 11, grouped as one in the chart, the percentage has increased from 59.18% to 112.61%. This is readily accounted for by the purchase, during the war and since, of bonds issued by governments outside the United States—chiefly those of our Canadian neighbor.

From the table and chart it is evident that between 1911 and 1920 there has been a tendency to shift the higher proportion of investments from the Eastern and Middle States and the Central Northern States, to the South and West, the investments in those five groups during the period increasing \$1,608,367,584, while the reserves increased only \$876,278,062. Naturally, in the development of a great country like our own, capital will flow from the longer settled and more wealthy parts of the country to those regions where money is most needed. It is quite possible that the need now apparent in some of our Eastern states and cities for buildings of all sorts which would have been erected long ago, but for the abnormally high cost of labor and material, may turn back this tendency of capital from the South and West, so that an exhibit of the next decade of life insurance may show a decidedly different situation from that now before us in the figures presented.

Already there are conspicuous evidences that much money is being invested by life insurance companies in the Middle and Central Northern States which would undoubtedly have gone

to other regions but for the special demand in these states for the purposes named. During 1920 the increase in mortgage loans on other than farm property was more than twenty times as great as the annual increase of such loans during 1918 and 1919, the increase in 1920 amounting to \$129,135,810, compared with \$12,669,688 during 1918 and 1919 combined, 45.8% of the amount going to the Middle Atlantic and 17.4% to the Central Northern, in which sections the housing shortage was most acute.

In order that this convention might have the latest data as to the trend of life insurance investments in mortgage loans, these same 47 companies have just made reports showing the total amount of their farm and city mortgages as of October 31, 1921.

I find that \$261,900,000 has been added in the ten months from December 31, 1920, to October 31, 1921, making a total of \$2,468,600,000 real estate mortgage loans on October 31st of this year. Of this total, \$1,247,300,000 is on farm property and \$1,221,300,000 on city property. Therefore, for the first time in many years, if not for the first time in the history of the country, the total amount of farm loans held by life insurance companies now exceeds the loans on city property, the proportion being 50.53% loaned on farms as against 49.47% on city property.

Of the increase of \$261,900,000 in mortgage loans during the first ten months of this year, \$161,300,000 is in farm mortgages and \$100,600,000 in city mortgages. The increase in farm mortgages is greater in amount than the increase in the city mortgages during these ten months, as was the case in 1920, but there is still the same tendency that I pointed out above, namely, to increase the proportion of loans on city property as compared with farms. This trend of investments towards the city has been strongly manifested since 1919 and can be shown most clearly by the proportion of new money going into each class of mortgages during the last few years. Please note, during 1918 and 1919, that 91.03% of all the net increase in loans was on farm property and 8.97% on city property. In 1920, the proportion of money invested in farm loans dropped to 63.78%, while the city loans increased to 36.22%. During the first ten months of 1921, the same tendency has continued and the proportion of farm loans has dropped to 61.59%, while that on city property has increased to 38.41%. With justifiable pride, speaking at an insur-

ance gathering, I can point to the investment of life insurance funds where the greatest need of the nation has called. During the last six years it was vital for this nation, for itself and the part it was playing, that our agriculture should be stimulated to highest productivity. That the companies met this condition is shown in the percentage of agricultural loans. There is at the moment another imperative demand—that of construction catching up with deferred building in our cities. The national tendency of insurance company investments to meet imperative, justifiable demands is made equally clear in the now perceptible trend toward city loans again.

In thus placing before you some of the facts concerning life insurance funds, I have tried to show first how and where these funds are invested, and then to point out the striking changes in kind and in locality during the nine years from the end of 1911 to the end of 1920, as well as the remarkable amount of increase in mortgages for the current year.

I have also called your attention to the relation by amounts and percentages of the investments to the liability of the companies not only as pertains to the whole of the investments and reserves, but as to this relation in different sections where the companies insure lives and invest money, showing that the total investments exceed the total reserves by more than seven hundred million dollars—that is, by about 12%—and also that except for three sections east of the Mississippi and north of the junction of the Ohio with that river, the investments in each particular locality exceed the liability of the life insurance companies to the inhabitants of that section.

I have said that I would refer again to the greatness of the amount of assets held by American life insurance companies. Reports in the daily papers of the amounts owed by our Federal Government, and still more by the debts of other governments, have made us all more familiar with dollars stated in billions than we were a few years ago, but even yet I doubt if our minds really comprehend these great amounts. Six billion eight hundred and thirty-two million seven hundred and twenty-four thousand five hundred and sixty dollars and six cents is the amount of our insurance assets.

Let us imagine that Benjamin Franklin, just about the time he signed the Declaration of Independence, set in motion a clock or other mechanism which would count \$1.00 every second and

record the total, and that by some provision he insured continued care of this clock so that it should never cease counting for a single second of time, day or night, year after year, sixty every minute, three thousand six hundred every hour, eighty-six thousand four hundred every day, thirty-one million five hundred and eighty-two thousand six hundred every year, and so on years without end. By this time, although the clock would have been counting steadily for one hundred and forty-five years, it would have reached a total of about four and one-half billions, or just about the amount of the life insurance investments at the end of 1914, and would have to tick on for seventy-one years more before it would count our total of SIX BILLION EIGHT HUNDRED AND THIRTY-TWO MILLION SEVEN HUNDRED AND TWENTY-FOUR THOUSAND FIVE HUNDRED AND SIXTY DOLLARS AND SIX CENTS.

With no spirit of vaunting pride have I thus endeavored to bring before us the greatness of this sum. This is no bloated bondholders' hoard. It represents the assets belonging to forty million people with an average ownership of about \$170 for each person. Mostly it is the result of the most unselfish saving for the sake of dependent wives and children.

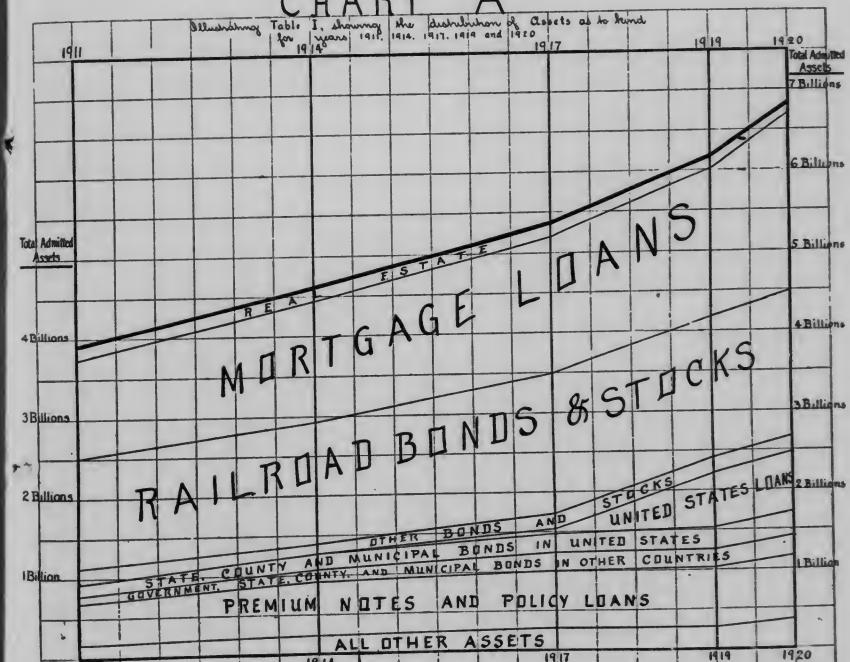
Those who frame our laws may well take heed of the fact that this vast sum does not belong to great corporations in their own right, an easy mark for taxation without representation. It belongs to forty million men and women, most of whom have the right to vote. A recent announcement from the Census Bureau at Washington gives the whole potential voting strength of the United States as fifty-four million four hundred and twenty-one thousand eight hundred and thirty-two. Of these, forty million voters have ownership in these assets.

The deposits made in our savings banks well merit consideration as belonging to the great mass of our people who have saved from their hard-earned wages. For like reasons, intensified because of the unselfish motives involved, the amounts set aside and paid for life insurance are worthy of especially favorable consideration as regards taxation, whether for Federal, state, county or municipal purposes.

And especially it is with no spirit of vaunting pride that we who are members of the Association under whose auspices we are now meeting, contemplate the bigness of this great accumulation of wealth placed in our custody. It does not belong to

us. It is a most sacred trust. Not pride, but an earnest desire for ability to wisely administer this trust for the benefit of those to whom it belongs, is the inspiration which comes to us from its greatness.

CHART A



The heavy top curve represents the total admitted assets at the end of the various years indicated. Each square from the base upward represents five hundred million dollars of admitted assets, while the space between the curves shows the amount invested in each specified class of security at the different dates.

CHART B

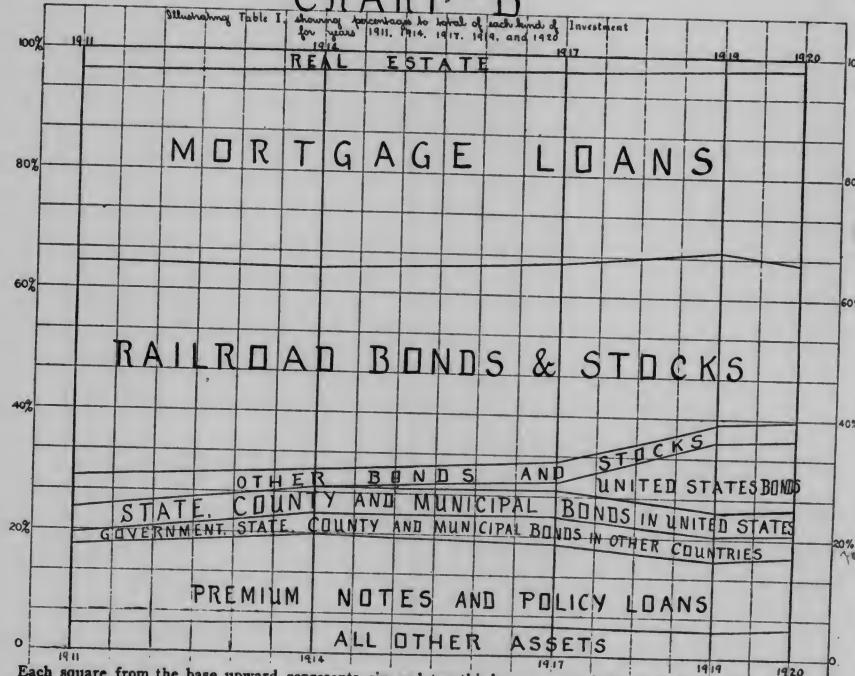


CHART C

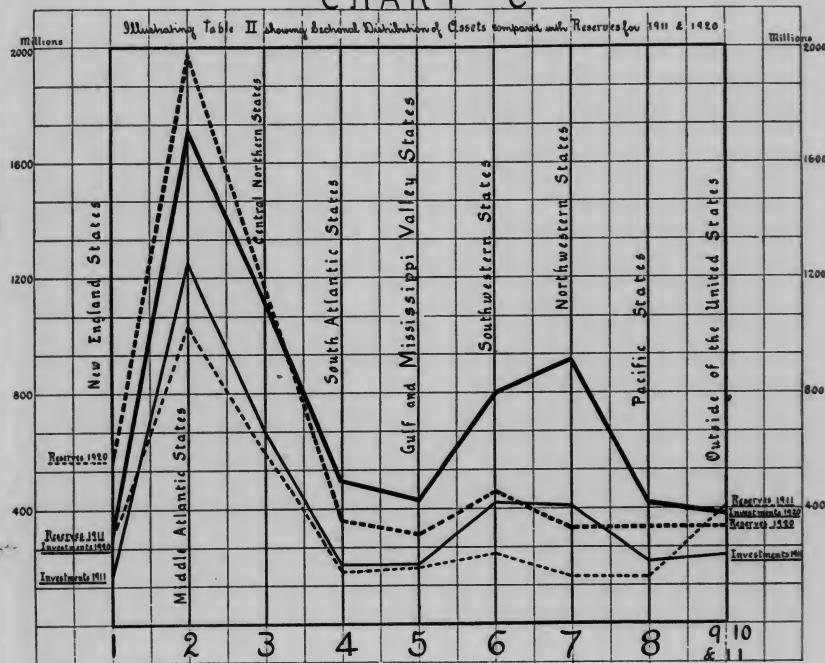
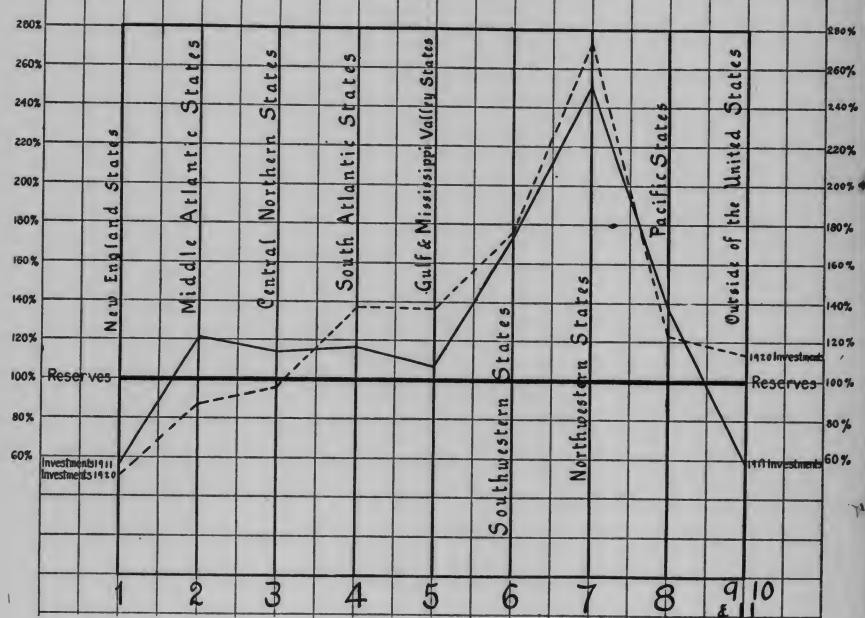


CHART D

Illustrating Table II showing Ratio of Investments to Reserves in each Section for 1911 & 1920



REDUCTION RATIO

14:1

**PM-MGP 13"x18"
METRIC GENERAL PURPOSE TARGET
PHOTOGRAPHIC**

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890

2.0 mm

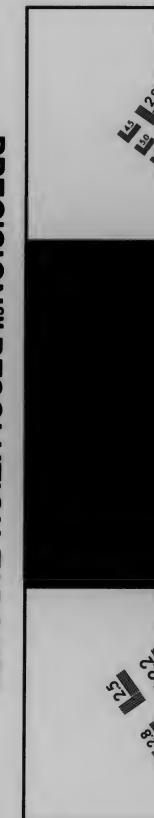
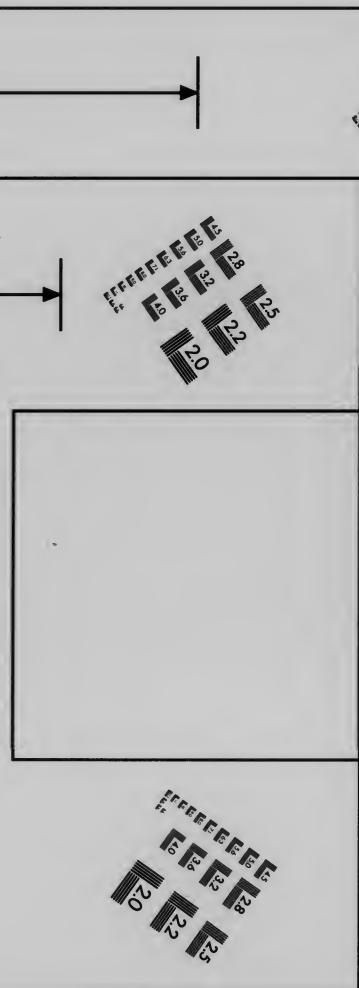
1.5 mm

2.5 mm

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
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ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890



PRECISIONSM RESOLUTION TARGETS

Century



1303 Geneva Avenue

St. Paul, MN 55119

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890

4.5 mm

3.5 mm

3.0 mm

TABLE I.
COMPARATIVE INVESTMENT STATISTICS OF LIFE INSURANCE COMPANIES FOR THE YEARS 1911, 1914, 1917, 1919 AND 1920.

	1911		1914		1917		1919		1920			
		RATIO TO ADMITTED ASSETS										
Real Estate	\$151,962,224.72	3.92%		\$145,986,569.68	3.19%		\$144,912,326.79	2.71%		\$129,502,527.83	2.10%	
Farm Mortgage Loans	(1)		(1)		\$730,030,865.51		13.67%	\$858,537,282.95		13.94%	\$1,085,965,739.78	15.89%
Other Mortgage Loans	(1)		(1)		978,890,490.40		18.32%	991,560,178.81		16.10%	1,120,695,988.21	16.40%
Total Mortgage Loans	1,228,359,347.75	31.65%	1,500,935,772.56	32.78%	1,708,921,355.91	31.99%		1,850,097,461.76	30.04%		2,206,661,727.99	32.29%
R. R. Inter State Bonds and Stocks	\$957,308,018.95	24.66%	\$1,003,527,241.57	21.92%	\$1,227,057,685.14	22.97%	\$1,245,561,393.42	20.22%	\$1,266,325,702.16	18.53%		
R. R. Intrastate Bonds and Stocks	426,229,194.52	10.98%	540,282,645.84	11.80%	532,853,042.68	9.98%	525,724,442.91	8.54%	527,193,278.08	7.72%		
Total R. R. Bonds and Stocks	\$1,383,537,213.47	35.64%	\$1,543,809,887.41	33.72%	\$1,759,910,727.82	32.95%	\$1,771,285,836.33	28.76%	\$1,793,518,980.24	26.25%		
U. S. Government Bonds	(2)		(2)		62,622,536.97	1.17%	706,062,941.72	11.46%	772,410,125.26	11.30%		
State, County and Municipal Bonds (U. S. and Ter.)	\$155,600,410.17	4.01%	189,398,887.78	4.14%	233,449,620.20	4.37%	248,948,244.72	4.05%	288,817,542.68	4.23%		
Gov't, State County and Municipal Bonds (Canada)	(3)		(3)		(3)		113,466,557.35	1.84%	134,287,337.20	1.97%		
Gov't, State, County and Municipal Bonds (Foreign)	82,106,118.89	2.12%	164,016,763.76	3.58%	248,230,024.97	4.65%	143,501,669.45	2.33%	116,511,359.10	1.71%		
Total Gov't, State, County and Municipal Bonds	\$237,706,529.06	6.13%	\$353,415,651.54	7.72%	\$544,302,182.14	10.19%	\$1,211,979,413.24	19.68%	\$1,312,026,364.24	19.21%		
Other Bonds and Stocks (4)	202,851,793.07	5.22%	128,084,653.75	2.79%	185,135,680.41	3.47%	189,094,071.43	3.07%	202,493,568.42	2.96%		
Total Bonds and Stocks	1,824,095,535.60	46.99%	2,025,310,192.70	44.23%	2,489,348,590.37	46.61%	3,172,359,321.00	51.51%	3,308,028,912.90	48.42%		
Collateral Loans	12,482,932.00	.32%	16,621,299.49	.36%	16,751,959.88	.31%	21,311,841.41	.35%	30,819,226.30	.45%		
Premium Notes and Loans to Policyholders	505,609,506.02	13.03%	682,529,797.80	14.90%	735,188,423.47	13.76%	732,337,956.64	11.89%	820,071,906.63	12.00%		
Cash on Hand and in Banks	59,736,944.40	1.54%	84,392,943.45	1.84%	82,340,952.88	1.54%	76,083,847.40	1.24%	80,531,812.12	1.18%		
All other Assets	99,013,377.51	2.55%	123,288,723.13	2.70%	164,465,153.47	3.08%	177,004,767.03	2.87%	249,839,541.74	3.66%		
Total Admitted Assets of Companies Examined	\$3,881,259,868.00	100.00%	\$4,579,065,298.81	100.00%	\$5,341,928,762.77	100.00%	\$6,158,697,723.07	100.00%	\$6,832,724,560.06	100.00%		
Total Admitted Assets of Companies Shown in Year Book	\$4,164,491,688.00		(36 Cos.)		(33 Cos.)		(39 Cos.)		(47 Cos.)			
Ratio Assets of Companies Examined to Assets of Companies Shown in Year Book	93.19%		92.78%		89.92%		\$6,790,582,415.00		\$7,319,997,019.00			
							(266 Cos.)		(272 Cos.)			

(1) Farm mortgage loans were not separated from other mortgage loans in the years 1911 and 1914.

(2) In 1911 and 1914 United States Government Bonds, because of the very small amount held, were included in State, County and Municipal Bonds.

(3) Canadian Government, State, County and Municipal Bonds were not separated from Foreign Government, State, County and Municipal Bonds in the years 1911, 1914 and 1917.

(4) This item also includes certain other assets in the years 1911, 1914 and 1917.

REDUCTION

RATIO

12:1

METRIC GENERAL PURPOSE TARGET

2.0 mm

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z
a b c d e f g h i j k l m n o p q r s t u v w x y z
1 2 3 4 5 6 7 8 9 0



PRECISIONSM RESOLUTION TARGETS

1303 Geneva Avenue
St. Paul, MN 55119

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z
a b c d e f g h i j k l m n o p q r s t u v w x y z
1 2 3 4 5 6 7 8 9 0

3.5 mm ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890

The image shows the A4 paper size with various dimensions and resolution test patterns.

A4 paper dimensions:

- Width: 200 mm
- Height: 297 mm

A5 paper dimensions:

- Width: 150 mm
- Height: 210 mm

Resolution Test Patterns:

- Top Left:** A diagonal pattern of horizontal bars decreasing in width from 2.5 mm to 1.0 mm.
- Top Right:** A diagonal pattern of horizontal bars increasing in width from 1.0 mm to 2.5 mm.
- Middle Left:** A vertical column of horizontal bars decreasing in width from 2.5 mm to 1.0 mm.
- Middle Right:** A vertical column of horizontal bars increasing in width from 1.0 mm to 2.5 mm.
- Bottom Left:** A vertical column of horizontal bars decreasing in width from 2.0 mm to 1.0 mm.
- Bottom Right:** A vertical column of horizontal bars increasing in width from 1.0 mm to 2.0 mm.

Text Examples:

- 1.0 mm: ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890
- 1.5 mm: ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890
- 2.0 mm: ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890
- 2.5 mm: ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890

TABLE I.
COMPARATIVE INVESTMENT STATISTICS OF LIFE INSURANCE COMPANIES FOR THE YEARS 1911, 1914, 1917, 1919 AND 1920.

	1911	RATIO TO ADMITTED ASSETS	1914	RATIO TO ADMITTED ASSETS	1917	RATIO TO ADMITTED ASSETS	1919	RATIO TO ADMITTED ASSETS
Real Estate	\$151,962,224.72	3.92%		\$145,986,569.68	3.19%		\$129,502,527.83	2.10%
Farm Mortgage Loans	(1)		(1)		\$730,030,865.51	13.67%	\$858,537,282.95	13.94%
Other Mortgage Loans	(1)		(1)		978,890,490.40	18.32%	991,560,178.81	16.10%
Total Mortgage Loans	1,228,359,347.75	31.65%		1,500,935,772.56	32.78%		1,850,097,461.76	30.04%
R. R. Inter State Bonds and Stocks	\$957,308,018.95	24.66%	\$1,003,527,241.57	21.92%	\$1,227,057,685.14	22.97%	\$1,245,561,393.42	20.22%
R. R. Intrastate Bonds and Stocks	426,229,194.52	10.98%	540,282,645.84	11.80%	532,853,042.68	9.98%	525,724,442.91	8.54%
Total R. R. Bonds and Stocks	\$1,383,537,213.47	35.64%	\$1,543,809,887.41	33.72%	\$1,759,910,727.82	32.95%	\$1,771,285,836.33	28.76%
U. S. Government Bonds	(2)		(2)		62,622,536.97	1.17%	706,062,941.72	11.48%
State, County and Municipal Bonds (U. S. and Ter.)	\$155,600,410.17	4.01%	189,398,887.78	4.14%	233,449,620.20	4.37%	248,948,244.72	4.05%
Gov't, State County and Municipal Bonds (Canada)	(3)		(3)		(3)		113,466,557.35	1.84%
Gov't, State, County and Municipal Bonds (Foreign)	82,106,118.89	2.12%	164,016,763.76	3.58%	248,230,024.97	4.65%	143,501,669.45	2.33%
Total Gov't, State, County and Municipal Bonds	\$237,706,529.06	6.13%	\$353,415,651.54	7.72%	\$544,302,182.14	10.19%	\$1,211,979,413.24	19.68%
Other Bonds and Stocks (4)	202,851,793.07	5.22%	128,084,653.75	2.79%	185,135,680.41	3.47%	189,094,071.43	3.87%
Total Bonds and Stocks	1,824,095,535.60	46.99%	2,025,310,192.70	44.23%	2,489,348,590.37	46.61%	3,172,359,321.00	51.51%
Collateral Loans	12,482,932.00	.32%	16,621,299.49	.36%	16,751,959.88	.31%	21,311,841.41	.35%
Premium Notes and Loans to Policyholders	505,609,506.02	13.03%	682,529,797.80	14.90%	735,188,423.47	13.76%	732,337,956.64	11.89%
Cash on Hand and in Banks	59,736,944.40	1.54%	84,392,943.45	1.84%	82,340,952.88	1.54%	76,083,847.40	1.24%
All other Assets	99,013,377.51	2.55%	123,288,723.13	2.70%	164,465,153.47	3.08%	177,004,767.03	2.87%
Total Admitted Assets of Companies Examined	\$3,881,259,868.00	100.00%	\$4,579,065,298.81	100.00%	\$5,341,928,762.77	100.00%	\$6,158,697,723.07	100.00%
Total Admitted Assets of Companies Shown in Year Book	(39 Cos.)		(36 Cos.)		(33 Cos.)		(39 Cos.)	
Ratio, Assets of Companies Examined to Assets of Companies Shown in Year Book	\$4,164,491,688.00		\$4,935,252,793.00		\$5,940,622,780.00		\$6,790,582,415.00	
	(240 Cos.)		(250 Cos.)		(241 Cos.)		(266 Cos.)	
	93.19%		92.78%		89.92%			90.69%

(1) Farm mortgage loans were not separated from other mortgage loans in the years 1911 and 1914.

(2) In 1911 and 1914 United States Government Bonds, because of the very small amount held, were included in State, County and Municipal Bonds.

(3) Canadian Government, State, County and Municipal Bonds were not separated from Foreign Government, State, County and Municipal Bonds in the years 1911, 1914 and 1917.

(4) This item also includes

TABLE I.
COMPARATIVE INVESTMENT STATISTICS OF LIFE INSURANCE COMPANIES FOR THE YEARS 1911, 1914, 1917, 1919 AND 1920.

	1911	RATIO TO ADMITTED ASSETS	1914	RATIO TO ADMITTED ASSETS	1917	RATIO TO ADMITTED ASSETS	1919	RATIO TO ADMITTED ASSETS	1920	RATIO TO ADMITTED ASSETS	
	\$151,962,224.72	3.92%		\$145,986,569.68	3.19%		\$144,912,326.79	2.71%		\$136,771,432.38	2.80%
(1)			(1)			\$730,030,865.51	13.67%	\$858,537,282.95	13.94%	\$1,085,965,739.78	15.89%
(1)			(1)			978,890,490.40	18.32%	991,560,178.81	16.10%	1,120,695,988.21	16.40%
Stocks	1,228,359,347.75	31.65%		1,500,935,772.56	32.78%		1,708,921,355.91	31.99%		1,850,097,461.76	30.04%
Stocks	\$957,308,018.95	24.66%		\$1,003,527,241.57	21.92%		\$1,227,057,685.14	22.97%		\$1,245,561,393.42	20.22%
	426,229,194.52	10.98%		540,282,645.84	11.80%		532,853,042.68	9.98%		525,724,442.91	8.54%
	\$1,383,537,213.47	35.64%		\$1,543,809,887.41	33.72%		\$1,759,910,727.82	32.95%		\$1,771,285,836.33	28.76%
Bonds (U. S. and Ter.)	(2)		(2)			62,622,536.97	1.17%	706,062,941.72	11.46%	772,410,125.26	11.30%
Municipal Bonds (Canada)	\$155,600,410.17	4.01%	189,398,887.78	4.14%	233,449,620.20	4.37%	248,948,244.72	4.05%	288,817,542.68	4.23%	
Municipal Bonds (Foreign)	(3)		(3)		(3)	"	113,466,557.35	1.84%	134,287,337.20	1.97%	
Municipal Bonds	82,106,118.89	2.12%	164,016,763.76	3.58%	248,230,024.97	4.65%	143,501,669.45	2.33%	116,511,359.10	1.71%	
	\$237,706,529.06	6.13%	\$353,415,651.54	7.72%	\$544,302,182.14	10.19%	\$1,211,979,413.24	19.68%	\$1,312,026,364.24	19.21%	
	202,851,793.07	5.22%	128,084,653.75	2.79%	185,135,680.41	3.47%	189,094,071.43	3.07%	202,483,568.42	2.96%	
	1,824,095,535.60	46.99%	2,025,310,192.70	44.23%		2,489,348,590.37	46.61%		3,172,359,321.00	51.51%	
Policyholders	12,482,932.00	.32%		16,621,299.49	.36%		16,751,959.88	.31%		21,311,841.41	.35%
	505,609,506.02	13.03%		682,529,797.80	14.90%		735,188,423.47	13.76%		732,337,956.64	11.89%
	59,736,944.40	1.54%		84,392,943.45	1.84%		82,340,952.88	1.54%		76,083,847.40	1.24%
Companies Examined	99,013,377.51	2.55%		123,288,723.13	2.70%		164,465,153.47	3.08%		177,004,767.03	2.87%
Companies Shown in Year Book	\$3,881,259,868.00	100.00%		\$4,579,065,398.81	100.00%		\$5,341,928,762.77	100.00%		\$6,158,697,723.07	100.00%
Examined to Assets of Book	(39 Cos.)		(36 Cos.)		(33 Cos.)		(30 Cos.)		(27 Cos.)		
	\$4,164,491,688.00		\$4,935,252,793.00		\$5,940,622,780.00		\$6,790,582,415.00		\$7,319,997,019.00		
not separated from other mortgage loans in the	(240 Cos.)		(250 Cos.)		(241 Cos.)		(266 Cos.)		(272 Cos.)		
	93.19%		92.78%		90.92%		90.69%		93.34%		

(2) In 1911 and 1914 United States Government Bonds, because of the very small amount held, were included in State, County and Municipal Bonds.

(3) Canadian Government, State, County and Municipal Bonds were not separated from Foreign Government, State, County and Municipal Bonds in the years 1911, 1914 and 1917.

(4) This item also includes certain other assets in the years 1911, 1914 and 1917.

REDUCTION RATIO

14:1

**PM-MGP 13" x 18"
METRIC GENERAL PURPOSE TARGET
PHOTOGRAPHIC**

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ABCDEFGHIJKLMNOPQRSTUVWXYZ
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2.0 mm

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1.5 mm

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abcdefghijklmnopqrstuvwxyz
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1.0 mm

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1234567890

0.8 mm

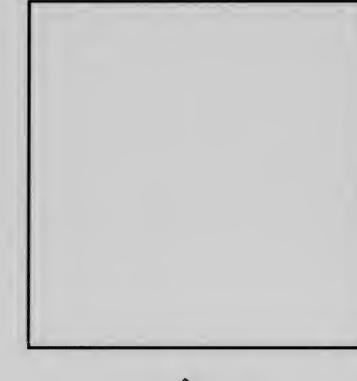
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abcdefghijklmnopqrstuvwxyz
1234567890

0.4 mm

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890



200 mm

150 mm

100 mm

80 mm

60 mm

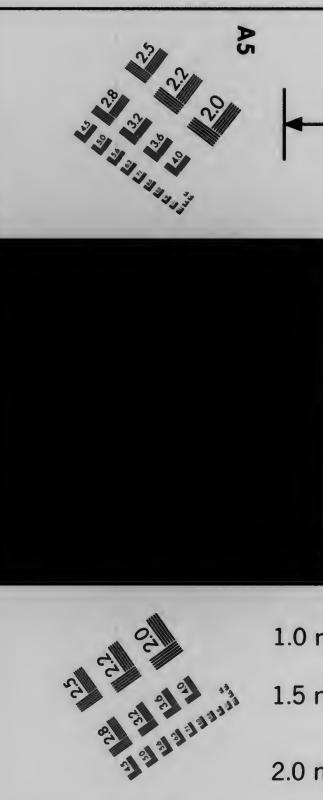
40 mm

20 mm

10 mm

1.0 mm
1.5 mm
2.0 mm

2.5 mm



A4

A5

A3

PRECISIONSM RESOLUTION TARGETS



1303 Geneva Avenue

St. Paul, MN 55119

ABCDEFGHIJKLMNOPQRSTUVWXYZ

abcdefghijklmnopqrstuvwxyz

1234567890

ABCDEFGHIJKLMNOPQRSTUVWXYZ

abcdefghijklmnopqrstuvwxyz

1234567890



4.5 mm

3.5 mm

3.0 mm

ABCDEFGHIJKLMNOPQRSTUVWXYZ

abcdefghijklmnopqrstuvwxyz

1234567890

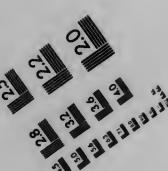


TABLE II.

SECTIONAL DISTRIBUTION OF LIFE INSURANCE ADMITTED ASSETS FOR THE YEARS 1911 AND 1920.

(The Admitted Assets Listed in this Table Represent for 1911, 93.19%, and for 1920, 93.34% of the Total Admitted Assets of all American Life Insurance Companies, as shown in the Insurance Year Book for These Years.)

YEAR	MORTGAGE LOANS		TOTAL MORTGAGE LOANS	REAL ESTATE	COLLATERAL LOANS	POLICY LOANS AND PREMIUM NOTES	INTERSTATE RAILROAD STOCKS AND BONDS (MILEAGE BASIS)	INTRA-STATE RAILROAD STOCKS AND BONDS	GOVERNMENT (1) STATE, COUNTY AND MUNICIPAL BONDS	OTHER STOCKS AND BONDS AND ANY OTHER INTRASTATE ASSETS	CASH	INVESTMENTS	ESTIMATED RESERVES	RATIO INVESTMENTS TO RESERVES
	FARM PROPERTIES	OTHER PROPERTIES												
New England Conn., Me., Mass., N. H., R. I., Vt. Ratio (2) 1911 1920 .01%	(3)	(3)	\$10,244,424.17 6.29% \$25,127,444.60 8.77%	\$11,255,215.00 6.92% 22,129,584.43 7.72%	\$1,689,921.50 1.04% 804,665.00 .28%	\$41,259,136.43 25.37% 43,183,370.45 22.50%	\$37,212,649.10 22.88% 18,791,884.33 15.07%	\$15,150,217.71 9.32% 82,483,129.89 6.56%	\$22,815,600.77 14.03% 19,400,837.81 28.79%	\$14,592,964.08 8.99% 10,114,580.26 6.77%	\$8,389,180.57 5.16% 286,542,805.08 100.00%	\$162,609,309.33 100.00% 563,017,582.77 100.00%	\$290,768,323.83 55.92% New England Conn., Me., Mass., N. H., R. I., Vt.	
Middle Atlantic Del., Dist. of Col., Md., N. J., N. Y., Pa. Ratio (2) 1911 1920 .01%	(3)	(3)	528,908,057.60 42.30% 623,357,991.96 36.29%	106,547,837.72 8.52% 81,493,315.36 4.75%	7,115,172.12 5.7% 21,405,412.12 1.25%	161,061,494.58 12.88% 248,186,911.89 14.48%	95,608,602.45 7.65% 150,868,567.13 8.80%	163,997,845.20 13.22% 201,421,644.53 11.74%	54,292,687.08 13.44% 254,086,123.64 14.82%	97,879,391.12 7.83% 104,030,265.12 6.07%	34,889,601.86 2.79% 30,783,863.85 1.79%	1,250,300,689.31 100.00% 1,714,633,694.57 100.00%	1,034,466,647.82 120.86% 1,984,495,827.96 86.40%	Middle Atlantic Del., Dist. of Col., Md., N. J., N. Y., Pa.
Central Northern Ohio, Mich., Ind., Ill., Wis. Ratio (2) 1911 1920 13.51%	(3)	(3)	167,686,669.48 25.06% 301,268,495.16 13.17%	5,269,941.47 .79% 9,820,519.72 .87%	1,919,005.00 .29% 2,158,611.00 .20%	79,194,768.68 11.84% 134,962,781.52 11.96%	265,879,610.81 39.75% 319,261,929.51 28.28%	108,037,045.29 16.15% 129,465,837.64 11.47%	10,286,476.00 1.54% 188,565,601.81 16.70%	23,545,596.97 3.52% 36,175,819.41 .64%	66,829,269.16 1.06% 7,230,396.48 3.20%	586,700,553.67 100.00% 1,179,816,262.84 100.00%	Central Northern Ohio, Mich., Ind., Ill., Wis.	
South Atlantic Va., W. Va., N. Car., S. Car., Ga., Fla. Ratio (2) 1911 1920 9.30%	(3)	(3)	25,024,150.08 11.99% 71,548,997.95 14.45%	164,916.17 .08% 845,613.64 .18%	3,350.00 .01% 542,069.78 .11%	33,554,206.13 16.07% 70,122,635.10 14.17%	98,993,571.57 47.42% 135,146,634.61 27.30%	33,185,341.99 6.00% 38,189,452.17 7.71%	12,522,490.85 1.98% 125,304,272.94 25.31%	4,122,351.48 .56% 4,634,175.46 .53%	208,743,693.78 100.00% 2,627,011.81 100.00%	178,851,111.86 116.71% 359,514,078.06 137.68%	South Atlantic Va., W. Va., N. Car., S. Car., Ga., Fla.	
Gulf & Miss. Val. Ala., Miss., Tenn., Ky., La. Ratio (2) 1911 1920 12.03%	(3)	(3)	33,542,274.00 16.20% 85,566,228.82 7.69%	15,719.02 .01% 1,008,142.46 .23%	349,500.00 .17% 351,150.00 .08%	36,813,875.32 17.84% 63,908,857.39 14.73%	86,837,959.73 32.17% 126,024,229.13 29.04%	23,952,704.43 11.63% 31,116,173.41 7.17%	21,777,661.25 10.58% 121,117,834.21 27.91%	2,017,361.44 .98% 3,060,583.52 .42%	597,594.06 29% 1,821,088.95 100.00%	205,904,685.31 100.00% 433,974,287.92 136.95%	Gulf & Miss. Val. Ala., Miss., Tenn., Ky., La.	
Southwestern Mo., Ark., Texas, Kansas, Colo., N. Mex., Okla. Ratio (2) 1911 1920 37.15%	(3)	(3)	169,723,709.88 40.60% 62,208,710.52 7.76%	4,749,468.12 1.14% 3,260,886.75 .40%	10,000.00 .01% 11,500.00 .01%	45,399,895.66 10.88% 80,071,910.00 9.99%	142,343,793.62 33.75% 181,015,933.63 22.60%	35,337,126.70 10.55% 40,510,084.20 5.06%	11,674,001.48 1.97% 127,089,491.05 15.87%	7,824,033.95 1.97% 7,924,297.62 .99%	952,285.61 1.23% 1,323,624.61 .17%	418,014,315.02 100.00% 800,999,034.72 100.00%	242,369,013.80 172.47% 457,812,579.56 174.96%	Southwestern Mo., Ark., Texas, Kansas, Colo., N. Mex., Okla.
Northwestern Iowa, Minn., Neb., N. Dak., S. Dak., Wyo., Mont. Ratio (2) 1911 1920 55.75%	(3)	(3)	231,689,235.10 56.72% 57,914,582.24 63.19%	5,830,586.05 1.43% 3,156,660.51 .34%	5,800.00 .01% 10,700.00 .01%	26,091,858.52 6.38% 46,504,332.43 .50%	105,279,573.79 5.94% 173,620,342.82 2.65%	24,279,597.37 1.64% 24,317,902.51 18.92%	6,710,213.29 1.64% 77,334,438.66 8.43%	7,807,235.50 1.91% 9,713,444.28 1.06%	813,892.82 .20% 3,104,717.20 .33%	408,508,615.44 100.00% 917,677,122.55 100.00%	162,855,103.16 250.84% 335,325,012.91 273.67%	Northwestern Iowa, Minn., Neb., N. Dak., S. Dak., Wyo., Mont.
Pacific Wash., Ore., Calif., Nev., Idaho, Ariz., Utah. Ratio (2) 1911 1920 6.03%	(3)	(3)	54,986,984.20 25.18% 63,196,956.08 15.04%	1,935,562.14 .89% 5,891,644.36 21.07%	1,390,183.34 .64% 5,520,118.52 1.40%	32,054,123.25 14.68% 58,540,159.97 1.31%	81,012,532.17 37.08% 132,339,656.20 31.54%	19,943,410.21 9.13% 28,491,210.80 6.78%	15,521,279.45 7.11% 85,027,854.81 20.23%	10,527,942.91 4.82% 13,677,783.71 3.25%	218,391,199.40 4.82% 2,031,092.73 .49%	159,506,695.72 100.00% 420,273,766.94 100.00%	Pacific Wash., Ore., Calif., Nev., Idaho, Ariz., Utah.	
TOTAL STATES Ratio (2) 1911 1920 17.52%	(3)	(3)	\$1,221,806,127.57 34.50% \$2,180,201,355.42 17.66%	\$135,769,245.03 3.84% \$127,606,367.23 2.06%	\$12,482,932.00 .35% \$30,804,226.30 .50%	\$455,429,359.57 12.85% \$766,777,836.44 12.37%	\$913,168,329.24 25.79% \$512,304,207.60 20.35%	\$423,883,288.90 11.97% \$1,261,660,663.50 8.27%	\$155,600,410.17 4.39% \$1,061,008,747.01 17.12%	\$168,316,877.45 4.75% \$198,616,807.01 3.20%	\$54,945,207.82 1.55% \$59,036,375.92 .95%	\$3,541,401,776.75 100.00% \$6,198,016,586.43 100.00%	124.34% TOTAL STATES	
Territories and Possessions Alaska, Hawaii, Philippines, Porto Rico Ratio (2) 1911 1920 17.60%	(3)	(3)	181,182.00 18.56% 311,546.32 17.60%	0 0 0	0 0 0	788,001.49 80.44% 1,224,047.94 69.13%	0 0 0	0 0 0	6,784.57 .70% 218,920.93 12.36%	975,928.05 100.00% 16,103.22 .91%	5,803,875.00 100.00% 8,712,375.03 100.00%	16.81% Territories and Possessions Alaska, Hawaii, Philippines, Porto Rico		
TOTAL STATES AND TERRITORIES Ratio (2) 1911 1920 17.52%	(3)	(3)	\$1,221,987,309.57 34.50% \$2,180,512,901.74 35.18%	\$135,769,245.03 3.83% \$127,606,367.23 2.06%	\$12,482,932.00 .35% \$30,804,226.30 .50%	\$456,217,360.06 12.88% \$768,001,884.38 12.36%	\$913,168,329.24 25.78% \$512,304,207.60 20.35%	\$155,600,410.17 4.39% \$1,061,227,667.94 8.27%	\$168,316,877.45 4.75% \$198,616,807.01 3.20%	\$54,951,992.74 1.55% \$59,025,479.54 .94%	\$3,542,377,744.81 100.00% \$6,199,787,205.24 100.00%	124.12% TOTAL STATES AND TERRITORIES		
Canada (4) Ratio (2) 1911 1920 .03%	13,199,294.47 7.29%	13,254,612.94 7.32%	218,132.07 .12%	15,000.00 .01%	10,797,520.85 5.97%	3,815,103.09 2.11%	11,331,067.29 6.26%	134,287,337.20 74.20%	3,095,353.57 1.71%	4,169,425.49 2.30%	180,983,552.50 100.00%	93,551,447.00 193.46%	Canada (4)	
Other Foreign Countries Ratio (2) 1911 1920 0	(3)	(3)	6,372,038.18 18.56% 12,894,213.31 6.38%	16,192,979.69 17.50% 8,946,933.08 6.38%	0 0 4,43%	49,392,145.96 20.59% 41,272,501.40 20.42%	44,139,689.71 18.40% 849,935.57 12.40%	2,345,905.62 34.23% 3,558,003.19 57.65%	82,106,118.89 14.40% 116,511,359.10 19.93%	34,534,915.62 1.58% 771,407.84 8.56%	4,784,952.01 100.00% 202,114,260.58 100.00%	239,868,745.68 401,153,711.00 239,501,254.20	59.79% 84.39%	Other Foreign Countries
TOTAL U. S., CANADA, AND FOREIGN Ratio (2) 1911 1920 16.50%	(3)	(3)	\$1,228,359,347.75 32.49% \$2,206,661,727.99 17.02%	\$151,962,224.72 4.02% \$136,771,432.38 3.08%	\$12,482,932.00 .33% \$30,819,226.30 .47%	\$505,609,506.02 13.36% \$820,071,906.63 12.46%	\$957,308,018.95 25.31% \$1,266,325,702.16 19.23%	\$426,229,194.52 11.27% \$527,193,278.08 8.01%	\$237,706,529.06 6.28% \$1,312,026,364.24 19.93%	\$202,851,793.07 5.36% \$80,531,812.12 3.08%	\$59,736,944.40 1.58% \$6,582,885,018.32 1.22%	\$3,782,246,490.49 100.00% \$5,881,550,101.66 100.00%	116.19% TOTAL U. S., CANADA, AND FOREIGN	
Non-Ledger and Miscellaneous Assets Ratio (2) 1911 1920	1,085,265,739.78 16.50%	\$1,120,695,988.21 17.02%	\$1,228,359,347.75 32.49% \$2,206,661,727.99 17.02%	\$151,962,224.72 4.02% \$136,771,432.38 3.08%	\$12,482,932.00 .33% \$30,819,226.30 .47%	\$505,609,506.02 13.36% \$820,071,906.63 12.46%	\$957,308,018.95 25.31% \$1,266,325,702.16 19.23%	\$426,229,194.52 11.27% \$527,193,278.08 8.01%	\$237,706,529.06 6.28% \$1,312,026,364.24 19.93%	\$202,851,793.07 5.36% \$80,531,812.12 3.08%	99,013,377.51 249,839,541.74 \$255,076,353.34 \$5,881,550,101.66	119.24% Non-Ledger and Miscellaneous Assets		
GRAND TOTAL 1911 1920	\$1,085,265,739.78 \$1,085,965,739.78	\$1,120,695,988.21 \$1,120,695,988.21	\$1,228,359,347.75 32.49% \$2,206,661,727.99 17.02%	\$151,962,224.72 4.02% \$136,771,432.38 3.08%	\$12,482,932.00 .33% \$30,819,226.30 .47%	\$505,609,506.02 13.36% \$820,071,906.63 12.46%	\$957,308,018.95 25.31% \$1,266,325,702.16 19.23%	\$426,229,194.52 11.27% \$527,193,278.08 8.01%	\$237,706,529.06 6.28% \$1,312,026,364.24 19.93%	\$202,851,793.07 5.36% \$80,531,812.12 3.08%	\$290,768,323.83 55.92% \$563,017,582.77 50.89%	GRAND TOTAL		

(1) The 1920 sectional amounts include \$772,410,125.26, investments in United States Government Bonds, prorated to the various states according to census population reports. In 1911, investments in United States Government Bonds amounting to \$519,472.72 were not prorated but are included in Miscellaneous Assets.

(2) The ratios listed represent the percent which each class of investments bears to the total investments in the group.

(3) No figures are available showing a separation of Total Mortgage Loans into Farm and Other Properties in 1911.

(4) Canadian investments are included with Other Foreign Countries in 1911.

**REDUCTION
RATIO
12:1**

2.0 mm
1.5 mm

ABCDEGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890

PM-MGP 13"x18" METRIC GENERAL PURPOSE TARGET PHOTOGRAPHIC

200 mm

150 mm

100 mm

1.1

1.25

1.4

1.6

ABCDEGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890

ABCDEGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890

ABCDEGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890

ABCDEGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890

1.0 mm

1.5 mm

2.0 mm

2.5 mm

A4

A5

PRECISIONSM RESOLUTION TARGETS

Century



1303 Geneva Avenue
St. Paul, MN 55119

3.5 mm

ABCDEGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890

ABCDEGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890

4.5 mm

TABLE II.
SECTIONAL DISTRIBUTION OF LIFE INSURANCE ADMITTED ASSETS FOR THE YEARS 1911 AND 1920.

(The Admitted Assets Listed in this Table Represent for 1911, 93.19%, and for 1920, 93.34% of the Total Admitted Assets of all American Life Insurance Companies, as shown in the Insurance Year Book for These Years.)

YEAR	MORTGAGE LOANS			TOTAL MORTGAGE LOANS	REAL ESTATE	COLLATERAL LOANS	POLICY LOANS AND PREMIUM NOTES	INTERSTATE RAILROAD STOCKS AND BONDS (MILEAGE BASIS)	INTRA-STATE RAILROAD STOCKS AND BONDS	GOVERNMENT (1) STATE, COUNTY AND MUNICIPAL BONDS	OTHER STOCKS AND BONDS AND ANY OTHER INTRA-STATE ASSETS	CASH	TOTAL INVESTMENTS	ESTIMATED
	FARM PROPERTIES	OTHER PROPERTIES	ESTATE											
New England Conn., Me., Mass., N. H., R. I., Vt.	1911 Ratio (2) 1920 Ratio (2)	(3) \$26,650.00 .01%	(3) \$25,127,444.60 8.77%	\$10,244,424.17 6.29% 25,154,094.60 8.78%	\$11,255,215.00 6.92% 22,129,584.43 7.72%	\$1,689,921.50 1.04% 804,665.00 .28%	\$41,259,136.43 25.37% 64,480,658.31 22.50%	\$37,212,649.10 22.88% 43,183,370.45 15.07%	\$15,150,217.71 9.32% 18,791,884.33 6.56%	\$22,815,600.77 14.03% 82,483,129.89 28.79%	\$14,592,964.08 8.99% 19,400,837.81 6.77%	\$8,389,180.57 5.16% 10,114,580.26 3.53%	\$162,609,309.53 100.00% 286,542,305.00 100.00%	\$290,217.00
Middle Atlantic Del., Dist. of Col., Md., N. J., N. Y., Pa.	1911 Ratio (2) 1920 Ratio (2)	(3) 162,765.00 .01%	(3) 622,195,226.96 36.29%	528,908,057.60 42.30% 622,357,991.96 36.30%	106,547,837.26 8.52% 81,493,315.36 4.75%	7,115,172.16 .57% 21,405,412.00 1.25%	161,061,494.58 12.88% 248,186,491.89 14.48%	95,608,602.45 7.65% 150,868,567.15 8.80%	163,997,845.20 13.12% 201,421,662.53 11.74%	54,292,687.08 7.83% 234,086,123.64 14.82%	97,879,391.12 4.34% 104,030,265.19 6.07%	34,889,601.86 2.79% 30,783,863.85 1.79%	1,250,300,089.31 100.00% 1,714,833,693.57 100.00%	1,303,440.00
Central Northern Ohio, Mich., Ind., Ill., Wis.	1911 Ratio (2) 1920 Ratio (2)	(3) 152,612,529.29 13.51%	(3) 148,655,965.87 13.17%	167,686,669.48 25.06% 301,268,495.16 26.68%	3,269,941.27 .79% 9,820,519.72 .87%	1,919,005.00 .29% 2,158,611.00 .20%	79,194,768.68 11.84% 134,962,781.52 11.96%	265,879,610.81 39.75% 319,261,929.51 28.28%	108,037,045.29 16.15% 129,465,837.64 11.47%	10,286,476.00 1.54% 188,565,601.81 16.70%	23,545,596.97 3.52% 36,175,819.41 3.20%	7,110,155.66 1.06% 7,230,396.48 .64%	668,929,269.16 100.00% 1,128,909,972.20 100.00%	1,303,440.00
South Atlantic Va., W. Va., N. Car., S. Car., Ga., Fla.	1911 Ratio (2) 1920 Ratio (2)	(3) 46,045,019.94 9.30%	(3) 71,548,997.95 14.45%	25,024,150.08 11.99% 117,594,017.89 23.75%	164,916.17 .08% 845,613.64 .18%	3,350.00 .01% 542,069.78 .11%	33,554,206.13 16.07% 70,122,635.10 14.17%	98,993,571.57 47.42% 135,146,634.61 27.30%	33,185,341.99 15.89% 38,189,452.17 7.71%	12,522,490.85 6.00% 125,304,272.94 25.31%	4,122,351.48 1.98% 4,634,175.46 .94%	1,173,315.51 .56% 2,627,011.81 .53%	208,743,093.78 100.00% 495,005,883.40 100.00%	1,303,440.00
Gulf & Miss. Val. Ala., Miss., Tenn., Ky., La.	1911 Ratio (2) 1920 Ratio (2)	(3) 52,186,646.61 12.03%	(3) 33,379,582.21 7.69%	33,542,274.06 16.29% 85,566,228.82 19.72%	15,719.02 .01% 1,008,142.46 .23%	349,500.00 .17% 351,150.00 .08%	36,813,875.32 17.88% 63,908,857.39 14.73%	86,837,995.73 42.17% 126,024,229.13 29.04%	23,952,704.43 11.63% 31,116,173.41 7.17%	21,777,661.25 10.56% 121,117,834.21 27.91%	2,017,361.44 .98% 3,060,583.55 .70%	597,594.06 .29% 1,821,088.95 .42%	205,904,685.31 100.00% 433,974,287.92 100.00%	1,303,440.00
Southwestern Mo., Ark., Texas, Kansas, Colo., N. Mex., Okla.	1911 Ratio (2) 1920 Ratio (2)	(3) 297,582,586.48 37.15%	(3) 62,208,710.52 7.76%	169,723,709.88 40.60% 359,791,297.00 44.91%	4,749,468.12 1.14% 3,260,886.75 .40%	10,000.00 .01% 80,071,919.83 .01%	45,399,895.66 10.86% 181,015,933.63 9.99%	142,343,793.62 34.05% 40,510,084.20 22.60%	35,337,126.70 8.45% 5,06%	11,674,001.48 2.79% 127,089,491.05 15.87%	7,824,033.95 1.87% 7,924,297.62 .99%	952,285.61 .23% 1,323,624.64 .17%	418,014,315.02 100.00% 800,999,034.72 100.00%	242,340.00
Northwestern Iowa, Minn., Neb., N. Dak., S. Dak., Wyo., Mont.	1911 Ratio (2) 1920 Ratio (2)	(3) 511,624,987.98 55.75%	(3) 68,289,596.24 7.44%	231,689,858.10 56.72% 579,914,584.22 63.19%	5,830,586.05 1.43% 3,156,660.51 .34%	5,800.00 .01% 10,700.00 .01%	26,091,858.52 6.38% 46,504,332.43 5.07%	105,279,573.79 25.77% 173,620,342.82 18.92%	24,279,597.37 5.94% 24,317,902.51 2.65%	6,710,213.29 1.64% 77,334,438.66 8.43%	7,807,235.50 1.91% 9,713,444.20 1.06%	813,892.82 .20% 3,104,717.20 .33%	408,508,615.44 100.00% 917,677,122.55 100.00%	1,303,440.00
Pacific Wash., Ore., Calif., New., Idaho, Ariz., Utah.	1911 Ratio (2) 1920 Ratio (2)	(3) 25,357,689.69 6.03%	(3) 63,196,956.08 15.04%	54,986,984.20 25.18% 88,554,645.77 21.07%	1,935,562.14 .89% 5,891,646.36 1.40%	1,390,183.34 .64% 5,520,118.52 1.31%	32,054,123.25 14.68% 58,540,159.97 13.93%	81,012,532.17 14.68% 31,54%	19,943,410.21 9.13% 28,491,210.81 6.78%	15,521,279.45 7.11% 85,027,854.81 20.23%	10,527,942.91 .82% 13,677,383.77 3.25%	1,019,181.73 .47% 2,031,092.73 .49%	218,391,199.40 100.00% 420,273,766.94 100.00%	1,303,440.00
TOTAL STATES	1911 Ratio (2) 1920 Ratio (2)	(3) \$1,085,598,874.99 17.52%	(3) \$1,094,602,480.43 17.66%	\$1,221,806,127.57 34.50% \$2,180,201,355.42 35.18%	\$135,769,245.03 3.83% \$127,606,367.23 2.06%	\$12,482,932.00 .35% \$30,804,226.30 .50%	\$455,429,358.57 12.86% \$766,777,836.44 12.37%	\$913,168,329.24 25.79% \$1,261,660,663.50 20.35%	\$423,883,288.90 11.97% \$512,304,207.60 8.27%	\$155,600,410.17 4.39% \$1,061,008,747.01 17.12%	\$168,316,877.45 4.75% \$198,616,807.01 3.20%	\$54,945,207.82 1.55% \$59,036,375.92 95%	\$3,541,401,776.75 100.00% \$6,198,016,586.43 100.00%	\$2,846,170.00
Territories and Possessions Alaska, Hawaii, Philippines, Porto Rico	1911 Ratio (2) 1920 Ratio (2)	(3) 311,546.32 17.60%	(3) 0	181,182.00 18.56%	0	0	788,001.49 80.74%	0	0	0	0	6,784.57 .70%	975,968.06 100.00%	3,840.00
TOTAL STATES AND TERRITORIES	1911 Ratio (2) 1920 Ratio (2)	(3) \$1,085,910,421.31 17.52%	(3) \$1,094,602,480.43 17.66%	\$1,221,987,309.57 34.50% \$2,180,512,901.74 35.18%	\$135,769,245.03 3.83% \$127,606,367.23 2.06%	\$12,482,932.00 .35% \$30,804,226.30 .50%	\$456,217,360.06 12.88% \$768,001,884.38 12.38%	\$913,168,329.24 25.78% \$1,261,660,663.50 20.35%	\$423,883,288.90 11.97% \$512,304,207.60 8.27%	\$155,600,410.17 4.39% \$1,061,227,667.94 17.12%	\$168,316,877.45 4.75% \$198,616,807.01 3.20%	\$54,951,992.39 1.55% \$59,052,479.54 .94%	\$3,542,377,744.81 100.00% \$6,199,787,203.20 100.00%	\$2,853,920.00
Canada (4)	1911 Ratio (2) 1920 Ratio (2)	(3) 55,318.47 .03%	(3) 13,199,294.47 7.29%	13,254,612.94 7.32%	218,132.07 .12%	15,000.00 .01%	10,797,520.85 5.97%	3,815,103.09 2.11%	11,331,067.29 6.26%	134,287,337.20 74.20%	3,095,353.57 1.71%	4,169,425.49 2.30%	180,983,552.50 100.00%	93,551.00
Other Foreign Countries	1911 Ratio (2) 1920 Ratio (2)	(3) 0	(3) 12,894,213.31	6,372,038.18 2.66% 12,894,213.31 6.38%	16,192,979.69 6.75% 8,946,933.08 4.43%	0 20.59%	49,392,145.96 18.40%	44,139,689.71 98%	2,345,905.62 34.23%	82,106,118.89 14.40%	34,534,915.62 3.86%	4,784,952.01 1.99%	239,868,745.68 100.00%	401,112.00
TOTAL U. S., CANADA, AND FOREIGN	1911 Ratio (2) 1920 Ratio (2)	(3) \$1,085,965,739.78 16.50%	(3) \$1,120,695,988.21 17.02%	\$1,228,359,347.75 32.49% \$2,206,661,727.99 33.52%	\$151,962,224.72 4.02% \$136,771,432.38 2.08%	\$12,482,932.00 .33% \$30,819,226.30 .47%	\$505,609,506.02 13.36% \$820,071,906.63 12.46%	\$957,308,018.95 25.31% \$1,266,325,702.16 19.23%	\$426,229,194.52 11.27% \$527,193,278.08 8.01%	\$237,706,529.06 6.28% \$1,312,026,364.24 19.93%	\$202,851,793.07 5.36% \$202,483,568.42 3.08%	\$59,736,944.40 1.58% \$80,531,812.12 1.22%	\$3,782,246,490.49 100.00% \$6,582,885,018.32 100.00%	\$3,253,070.00
Non-Ledger and Miscellaneous Assets	1911 Ratio (2) 1920	(3) \$1,085,965,739.78	(3) \$1,120,695,988.21	\$1,228,359,347.75 32.49% \$2,206,661,727.99 33.52%	\$151,962,224.72 4.02% \$136,771,432.38 2.08%	\$12,482,932.00 .33% \$30,819,226.30 .47%	\$505,609,506.02 13.36% \$820,071,906.63 12.46%	\$957,308,018.95 25.31% \$1,266,325,702.16 19.23%	\$426,229,194.52 11.27% \$527,193,278.08 8.01%	\$237,706,529.06 6.28% \$1,312,026,364.24 19.93%	\$202,851,793.07 5.36% \$202,483,568.42 3.08%	\$59,736,944.40 1.58% \$80,531,812.12 1.22%	99,013,377.51 249,839,541.74	
GRAND TOTAL	1911 Ratio (2)	(3) \$1,085,965,739.78	(3) \$1,120,695,988.21	\$1,228,359,347.75 32.49% \$2,206,661,727.99 33.52%	\$151,962,224.72 4.02% \$136,771,432.38 2.08%	\$12,482,932.00 .33% \$30,819,226.30 .47%	\$505,609,506.02 13.36% \$820,071,906.63 12.46%	\$957,308,018.95 25.31% \$1,266,325,702.16 19.23%	\$426,229,194.52 11.27% \$527,193,278.08 8.01%	\$237,706,529.06 6.28% \$1,312,026,364.24 19.93%	\$202,851,793.07 5.36% \$202,483,568.42 3.08%	\$59,736,944.40 1.58% \$80,531,812.12 1.22%	\$3,253,070.00	

(1) The 1920 sectional amounts include \$772,410,125.26, investments in United States Government Bonds, prorated to the various states according to census population reports. In 1911, investments in United States Government Bonds amounting to \$519,472.72 were not prorated but are included in the total.

TABLE II.
SECTIONAL DISTRIBUTION OF LIFE INSURANCE ADMITTED ASSETS FOR THE YEARS 1911 AND 1920.

(The Admitted Assets Listed in this Table Represent for 1911, 93.19%, and for 1920, 93.34% of the Total Admitted Assets of all American Life Insurance Companies, as shown in the Insurance Year Book for These Years.)

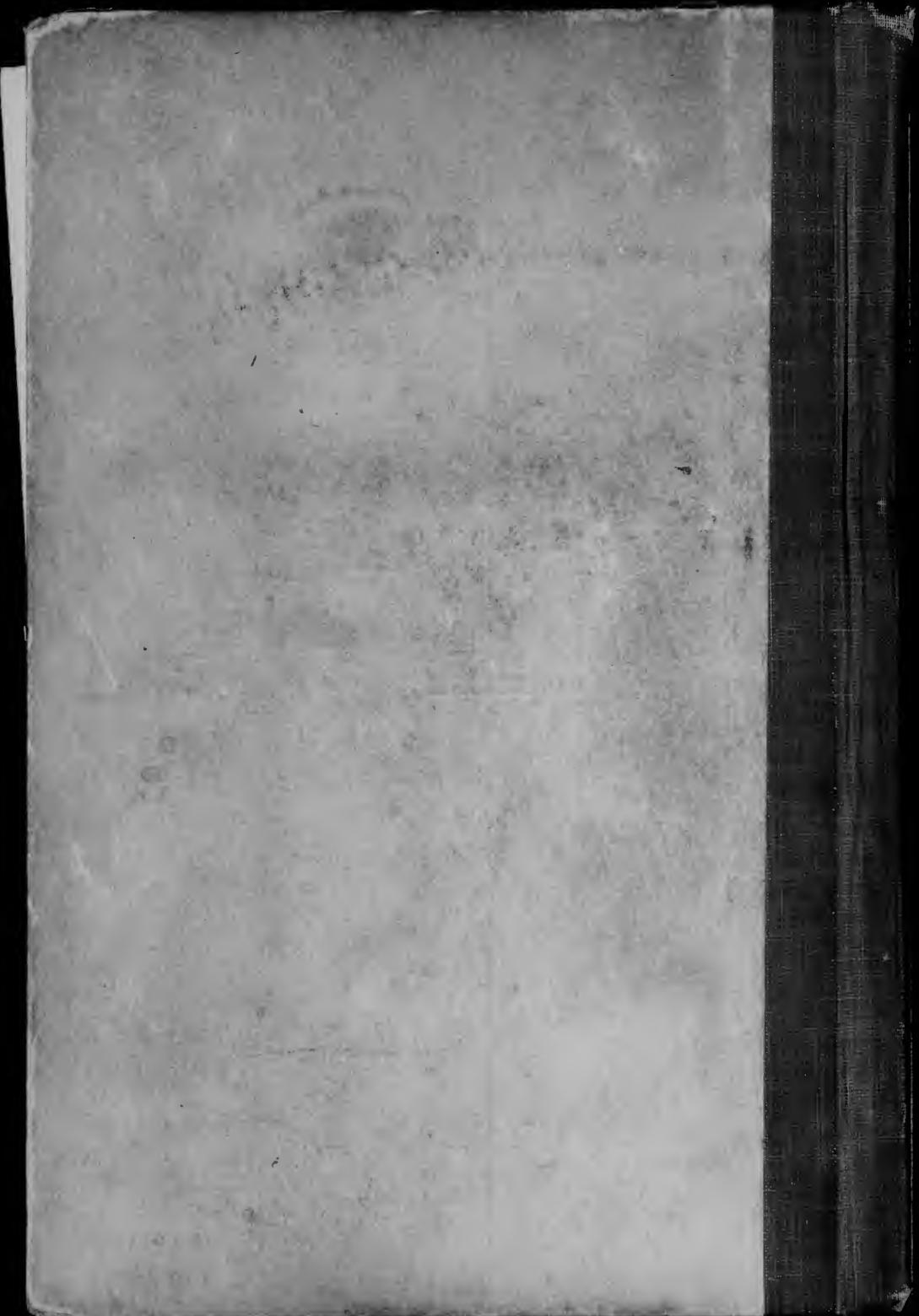
MORTGAGE LOANS FARM PROPERTIES		OTHER PROPERTIES		TOTAL MORTGAGE LOANS		REAL ESTATE		COLLATERAL LOANS		POLICY LOANS AND PREMIUM NOTES		INTERSTATE RAILROAD STOCKS AND BONDS (MILEAGE BASIS)		INTRA-STATE RAILROAD STOCKS AND BONDS		GOVERNMENT (1) STATE, COUNTY AND MUNICIPAL BONDS		OTHER STOCKS AND BONDS AND ANY OTHER INTRA-STATE ASSETS		CASH		TOTAL INVESTMENTS		ESTIMATED RESERVES		RATIO INVESTMENTS TO RESERVES			
(3)	(3)	\$10,244,424.17		\$11,255,215.00		\$1,689,921.50		\$41,259,136.43		\$37,212,649.10		\$15,150,217.71		\$22,815,600.77		\$14,592,964.08		\$8,389,180.57		\$162,609,309.33		\$290,768,323.83		55.92%					
\$26,650.00	.01%	\$25,127,444.60	8.77%	25,154,094.60		22,129,584.43		804,665.00		64,480,658.31		43,183,370.45		18,791,884.33		9.32%	14.03%	8.99%	5.16%	10,114,580.26		286,542,805.08		563,017,582.77		50.89%	New England Conn., Me., Mass., N. H., R. I., Vt.		
(3)	(3)	528,908,057.60		106,547,837.26		7,115,172.16		161,061,494.58		95,608,602.45		163,997,845.20		54,292,687.08		97,879,391.12		7.83%	4.34%	2.79%	100.00%	1,250,300,689.31		1,034,466,647.82		120.86%	Middle Atlantic Del., Dist. of Col., Md., N. J., N. Y., Pa.		
162,765.00	.01%	622,195,226.96	36.29%	622,357,991.96		81,493,315.36		21,405,412.00		248,186,491.88		150,868,567.15		201,421,662.53		254,086,123.64		104,030,265.19		30,783,863.85		1,714,633,693.57		1,984,495,872.96		86.40%			
(3)	(3)	167,686,669.48		5,269,941.27		1,919,005.00		79,194,768.68		265,879,610.81		108,037,045.29		10,286,476.00		23,545,596.97		7,110,155.66		668,929,269.16		586,706,553.67		114.01%	Central Northern Ohio, Mich., Ind., Ill., Wis.				
152,612,529.29	13.51%	148,655,965.87		301,268,495.16		9,820,519.72		2,158,611.00		134,962,781.52		319,261,929.51		129,465,837.64		188,565,601.81		11.47%	16.70%	3.20%	100.00%	7,230,396.48		1,128,909,992.25		1,179,816,262.84		95.68%	
(3)	(3)	25,024,150.08		164,916.17		3,350.00		33,554,206.13		98,993,571.57		33,185,341.99		12,522,490.85		4,122,351.48		1,173,315.51		208,743,693.78		178,851,111.86		116.71%	South Atlantic Va., W. Va., N. Car., S. Car., Ga., Fla.				
46,045,019.94	9.30%	71,548,997.95		117,594,017.89		845,613.64		542,069.78		70,122,635.10		135,146,634.61		38,189,452.17		125,304,272.94		4,634,175.46		2,627,011.81		495,005,883.40		359,514,078.06		137.68%			
(3)	(3)	33,542,274.06		15,719.02		349,500.00		36,813,875.32		86,837,995.73		23,952,704.43		21,777,661.25		2,017,361.44		597,594.06		205,904,685.31		192,595,317.48		106.91%	Gulf & Miss. Val. Ala., Miss., Tenn., Ky., La.				
52,186,646.61	12.03%	33,379,582.21		85,566,228.82		1,008,142.46		351,150.00		63,908,857.39		126,024,229.13		31,116,173.41		121,117,834.21		3,060,583.55		1,821,088.95		433,974,287.92		316,873,057.98		136.95%			
(3)	(3)	169,723,709.88		4,749,468.12		10,000.00		45,399,895.66		142,343,793.62		35,337,126.70		11,674,001.48		7,824,033.95		952,285.61		418,014,315.02		242,369,013.80		172.47%	Southwestern Mo., Ark., Texas, Kansas, Colo., N. Mex., Okla.				
297,582,586.48	37.15%	62,208,710.52		359,791,297.00		3,260,886.75		11,500.00		80,071,919.83		181,015,933.63		40,510,084.20		127,089,491.05		7,924,297.62		1,323,624.64		800,999,034.72		457,812,579.56		174.96%			
(3)	(3)	231,689,858.10		5,830,586.05		5,800.00		26,091,858.52		105,279,573.79		24,279,597.37		6,710,213.29		7,807,235.50		813,892.82		408,508,615.44		162,855,103.16		250.84%	Northwestern Iowa, Minn., Neb., N. Dak., S. Dak., Wyo., Mont.				
511,624,987.98	55.75%	68,289,596.24		579,914,584.22		3,156,660.51		10,700.00		46,504,332.42		173,620,342.82		24,317,902.51		77,334,438.66		9,713,442.20		3,104,717.20		917,677,122.55		335,325,012.91		273.67%			
(3)	(3)	54,986,984.20		1,935,562.14		1,390,183.34		32,054,123.25		81,012,532.17		19,943,410.21		15,521,279.45		10,527,942.91		1,019,181.73		218,391,199.40		159,506,695.72		136.91%	Pacific Wash., Ore., Calif., Nev., Idaho, Ariz., Utah.				
25,357,689.69	6.03%	63,196,956.08		88,554,645.77		5,891,644.36		5,520,118.52		58,540,159.97		132,539,656.20		28,491,210.81		85,027,854.81		13,677,383.77		2,031,092.73		420,273,766.94		342,930,578.35		122.55%			
(3)	(3)	\$1,221,806,127.57		\$135,769,245.03		\$12,482,932.00		\$455,429,358.57		\$913,168,329.24		\$423,883,288.90		\$155,600,410.17		\$168,316,877.45		\$54,945,207.82		\$3,541,401,776.75		\$2,848,118,767.34		124.34%					
\$1,085,598,874.99	17.52%	\$1,094,602,480.43		\$2,180,201,355.42		\$127,606,367.23		\$30,804,226.30		\$766,777,836.44		\$1,261,660,663.50		\$512,304,207.60		\$1,061,008,747.01		\$198,616,807.01		\$59,036,375.92		\$6,198,016,586.43		\$5,539,785,025.43		111.88%	TOTAL STATES		
(3)	(3)	181,182.00		0		788,001.49		0		0		0		0		6,784.57		975,968.06		5,803,875.00		16.81%	Territories and Possessions Alaska, Hawaii, Philippines, Porto Rico						
311,546.32	17.60%	0		311,546.32		0		1,224,047.94		69.13%		0		218,920.93		16,103.62		1,770,618.81		8,712,375.03		20.32%							
(3)	(3)	\$1,221,987,309.57		\$135,769,245.03		\$12,482,932.00		\$456,217,360.06		\$913,168,329.24		\$423,883,288.90		\$155,600,410.17		\$168,316,877.45		\$54,951,992.39		\$3,542,377,744.81		\$2,853,922,642.34		124.12%	TOTAL STATES AND TERRITORIES				
55,318.47	.03%	13,199,294.47	7.29%	13,254,612.94	7.32%	218,132.07	.12%	15,000.00	.01%	10,797,520.85	5.97%	3,815,103.09	2.11%	11,331,067.29	6.26%	134,287,337.20	74.20%	3,095,353.57	1.71%	4,169,425.49	2.30%	180,983,552.50	100.00%	93,551,447.00		193.46%	Canada (4)		
(3)	(3)	6,372,038.18		16,192,979.69		0		49,392,145.96		44,139,689.71		2,345,905.62		82,106,118.89		34,534,915.62		4,784,952.01		239,868,745.68		401,153,711.00		59.79%	Other Foreign Countries				
0	12,894,213.31	6.38%	8,946,933.08	6.38%	8,946,933.08	4.43%	0		41,272,501.40		849,935.57		3,558,003.19		116,511,359.10		771,407.84		17,309,907.09		202,114,260.58		239,501,254.20		84.39%				
(3)	(3)	\$1,228,359,347.75		\$151,962,224.72		\$12,482,932.00		\$505,609,506.02		\$957,308,018.95		\$426,229,194.52		\$237,706,529.06		\$202,851,793.07		\$59,736,944.40		\$3,782,246,490.49		\$3,255,076,353.34		116.19%	TOTAL U. S., CANADA, AND FOREIGN				
\$1,085,965,739.78	16.50%	\$1,120,695,988.21	17.02%	\$2,206,661,727.99	33.52%	\$136,771,432.38	2.08%	\$30,819,226.30	.47%	\$820,071,906.63		\$1,266,325,702.16		\$527,193,278.08		\$1,312,026,364.24		\$80,531,812.12		\$6,582,885,018.32		\$5,881,550,101.66		111.92%					
																				99,013,377.51		249,839,541.74			Non-Ledger and Miscellaneous Assets				
																											GRAND TOTAL		
\$1,085,965,739.78		\$1,120,695,988.21		\$1,228,359,347.75		\$151,962,224.72		\$12,482,932.00		\$505,609,506.02		\$957,308,018.95		\$426,229,194.52		\$237,706,529.06		\$202,851,793.07		\$59,736,944.40		\$3,255,076,353.34		119.24%					

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**END OF
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